Daily Report

Latin America

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Cuba

Russian Vice-Presidential Delegation Arrives

FL2105010393 Havana Radio Rebelde Network in Spanish 2300 GMT 20 May 93

[Text] A Russian Government high-level delegation headed by Vladimir Shumeyko, first vice president of the Council of Ministers, arrived on 20 May in Cuba to hold bilateral talks with the Cuban side. This visit represents the continuation of improved relations between the two countries and will be the second time in less than one year where this type of exchange will be held between the governments of the two countries. The first of these two meetings was held at the end of 1992 in Moscow. On this occasion, the Russian and Cuban delegations will hold several meetings and will visit various places of economic interest; they will also tour other provinces.

Upon his arrival today at Jose Marti International Airport in Havana, Vladimir Shumeyko spoke to the accredited press on the objectives of his current visit to Cuba.

[Begin Shumeyko recording, in Russian with simultaneous translation into Spanish] Naturally, everyone was interested in knowing why the vice president of the Russian Government would visit Cuba. I told them quite frankly that we are interested in mutually beneficial economic relations. We do not plan to discuss political issues, but my colleague and I will try to find solutions that will allow us to put the enterprises, built here with Soviet assistance, to good use, with benefit to the economies of Cuba and Russia. Above all, those enterprises should always benefit mankind. [end recording]

This afternoon, bilateral meetings between the two sides began. The Russian delegation is also made up by Viktor Ivanov, president of the State Committee for the Oil Industry, who has been in Cuba for several days visiting some of the industrial zones in Havana and other provinces.

Official Talks Begin

FL2105131093 Havana Radio Rebelde Network in Spanish 0900 GMT 21 May 93

[Text] Vladimir Shumeyko, first deputy chairman of the Council of Ministers of the Russian Federation, and the delegation accompanying him, began official talks with the Cuban delegation headed by Lionel Soto, vice president of the Council of Ministers on 20 May.

The work sessions have the goal of examining bilateral relations and new ways of economic cooperation between both countries. The Russian first deputy explained that solutions of mutual interest in different fields, among them petrochemistry and oil, will be analyzed. For his part, Soto pointed out the importance of this Russian delegation, with which a road toward practical solutions with real prospects and mutual interest should be opened.

Minrex Informs U.S. State Department on Arrests

FL2005191393 Havana Radio Rebelde Network in Spanish 1700 GMT 20 May 93

[Text] Between 0830 and 0900 [1230 and 1300 GMT] on 15 May, a U.S. registered ship was sighted in Cuban waters. The occupants tried to escape but were finally apprehended by Ministry of Interior [Minint] border force units at 0946 [1346 GMT] in waters to the north of Cuba.

The above mentioned ship was manned by a Cuban citizen living in the United States. This person said that, together with another two Cubans, they had tried to smuggle people into the United States.

The Minint has withheld the names and other information of the people involved and the boat while they continue investigating the incident. The Cuban Foreign Ministry [Minrex] has spoken with the U.S. State Department about the matter.

Havana Notes U.S. 'Intervention Force' Training

FL2005153493 Havana Radio Rebelde Network in Spanish 1700 GMT 19 May 93

[Text] Troops from Argentina and the United States have already completed a week of joint military practical training in jungle areas of Misiones Province. A U.S. intervention force equipped with sophisticated arms is participating in this practical training.

Castro Meets With Scientific Organization Representives

FL2005202593 Havana Radio Rebelde Network in Spanish 2300 GMT 19 May 93

[Text] Cuban President Fidel Castro held a meeting with the delegations of international health organizations who are visiting our country to learn from and cooperate with the research on the epidemic neuropathy.

Today, GRANMA newspaper published on its first page an extensive article on the topic. It highlighted that Fidel held meetings with the delegations of WHO, Pan American Health Organization [PAHO], and the Orbis Project, as well as with members of the Cuban team coordinating the work to confront the epidemic neuropathy. Also present at the meeting were outstanding scientists from the six subgroups investigating the nutritional, toxic, biologic, clinical, therapeutic, and epidemiologic aspects of this illness.

Today, another three eminent scientists arrived in Cuba to join the other five outstanding specialists from WHO and the three from the Orbis Project. They will all be carrying out an extensive work program in Cuba.

In the meeting held at the Genetics Engineering and Biotechnology Center, the visitors received extensive information on the characteristics of the neuropathy, its

various manifestations, and its appearance and spread in our country in a pattern unprecedented in international experience.

The visitors were shown the results on research on the population's nutritional levels, which are normal with the exception of a significant decrease in vitamin B1. Biological research has confirmed the isolation of an enterovirus of the Coxsackie type in the brain and spinal fluid of several patients.

The scientists noted that they have not been able to establish any element of contagion and that the geographic dissemination of the epidemic does not correspond to the pattern for this kind of virus.

The scientists were also informed of the various treatments given in hospitals and the differing levels of recovery observed in the patients. Dr. Guillermo Llanos, who heads the group from WHO and PAHO, pointed out that the Cubans are producing excellent research.

Fidel thanked WHO and the Orbis Project for the interest they have shown. Fidel said: We expect to receive ideas and suggestions on new research. Castro added: We hope these meetings will produce a cooperation program.

On the other hand, Public Health Minister Dr. Julio Teja expressed Cuba's satisfaction and appreciation for their response to our call for international cooperation to confront the epidemic. He added Cuba has not skimped on resources to fight the illness, despite the difficult economic situation resulting from the U.S. blockade, which was reinforced by the Torricelli Law, the abrupt loss of fair trade with the former Soviet Union and the former socialist bloc, and the effects of the so-called storm of the century, which caused damages conservatively estimated at $1 billion.

Teja added that we have not skimped on expanding the network of laboratories with multiple equipment developed in our country such as the (Neuronic), (Neurocid), and (Neuropac) costing more than $10 million on the international market. It was also the Cuban Government's decision, confronted with an illness that behaves in such an anomalous manner, to hospitalize for inpatient treatment anyone categorized as acute or moderate; an additional 20,000 hospital beds were readied, which represents an increase of 30 percent in hospital beds in our country.

A therapeutic vitamin treatment with a high dosage of B-complex was established for those who are sick; the rest of the population receives a supplemental vitamin treatment with B-complex, folic acid, and vitamin A as a preventive measure. This represented an expense that exceeded $17 million. The assembly of 32 hyperbaric chambers and the construction of other equipment for treatment and rehabilitation of the patients became part of the fight against the epidemic neuropathy at an additional cost of $5 million.

The GRANMA article concludes that all data from the research that has been carried out was made available to the international scientists visiting our country and will be beneficial to us and, eventually, all mankind.

Foreign Minister Speaks at Human Rights Debate

FL2005233693 Havana Radio Rebelde Network in Spanish 1700 GMT 20 May 93

[Text] Foreign Ministry [Minrex] lawyers and specialists are participating in the debates on human rights that continue today. Roberto Cavada has the details.

[Begin recording] [Cavada] Cuban Foreign Minister Roberto Robaina Gonzalez spoke at the morning session about certain concepts of man's basic rights and treatment, not only abroad but domestically, since the author of our diplomacy is the people.

[Robaina] There is a group of very powerful definitions; there is a group of very Cuban definitions, not because Cubans have exclusive rights to them, but because I think these definitions promoted the beginning of an effort a long time ago. The truth is, that in one way or another, we have allowed ourselves to be robbed of these. These are concepts we have lost. Since I was a boy, I have heard much said about the island of freedom. Little by little, people other than ourselves spoke of freedom.

One hears democracy spoken of in a particular way, and all of a sudden, the concept of democracy is the one they wish to impose on us from abroad. And we have almost let ourselves be somewhat robbed of that concept.

One hears talk of human rights, and it turns out that a set of rules of the game have been imposed in the matter of human rights that practically tarnish and crush those rights. Not the rights, but rather... [pauses] Or perhaps we shouldn't term these rights, but rather the motivations and goals for which this gigantic work was begun, for the human rights of 10 million people. This has almost become a phenomenon of another time, an anachronistic phenomenon.

It turns out that we have had a model imposed on us. Where do I think that fundamental error might lie? I think, first of all, that we all wish to come up with a single answer. In my opinion, that is appalling, I'll tell you very frankly. I think we have to... [pauses] because we are interested in having a revolutionary militancy—which I consider much more important than Communist militancy—perceived, from a single source, and deeply. Today, the Cubans' revolutionary militancy is much more advanced. It is far more massive and thus attempts to seek the definition that such-or-such an organization, or such- and-such a membership, or anybody has approved in order to see how we rate. [end recording]

Robaina stated that we are going to the Vienna Summit on Human Rights with the diplomacy of the truth because it is the diplomacy the people create; with the diplomacy of

hope, the diplomacy which, among our people, has a lot to do with the happiness present in these times.

Stresses Need To Demystify Human Rights

FL2105000393 Havana Cuba Vision Network in Spanish 2220 GMT 20 May 93

[Text] The Theoretical Views on Human Rights Workshop concluded today. At its closing session, Foreign Minister Roberto Robaina stressed the need to demystify the subject of human rights and become accustomed to speaking of apparently taboo aspects. For this reason, he said, it is essential to first do this in our own country in order to help others understand why we cannot allow comparisons with countries where there are massive violations. Robaina also pointed out that in all of this, the work of the press is essential in eliminating taboos because there are problems as well as virtues, and the important issue is to defend our work with examples.

Culture Minister Armando Hart also gave an address. He stressed the existing tendency to chose western systems and justice models. Hart spoke on the new forms required for this time in order to achieve communication with the modern world where a language different from the one used so far is required to show that our system is much more democratic than that of our enemies.

Civil Defense Exercise To Take Place 29 May

FL2005192593 Havana Radio Rebelde Network in Spanish 2300 GMT 19 May 93

[Text] The exercise entitled "Meteoro 93" will be held throughout Cuba on 29 May. Its objective is to coordinate and finalize all the mechanisms for civil defense system measures. This year, approximately 120 municipalities will participate in Meteoro, which has become traditional before the beginning of the hurricane system. It involves approximately 546 defense zones and 252 economic targets, as well as a large number of agencies, institutions, Revolutionary Armed Forces and Interior Ministry units, workers, and students.

Inter-Caribbean Affairs

Trade Minister Fears Eastern Caribbean Marginalization

FL2105012993 Bridgetown CANA in English 1821 GMT 20 May 93

[Text] Roseau, Dominica, May 20, CANA—Trade Minister Charles Maynard on Wednesday expressed fears the smaller Eastern Caribbean islands would become marginalised because of decisions taken at the Caribbean Community (Caricom) level. The trade minister said he wanted decisions adhered to and called for periodic reviews on matters such as the Caricom Common External Tariff, to guage their impact, especially on the smaller Caricom states.

"We've put in a number of measures that are designed to enable us to deal with the challenges that we're faced in the region. Those measures have got to be assessed regularly to ensure they serve our needs," Maynard said. He added he was disturbed by what he saw as a growing lobby to get rid of special measures in the Caricom treaty which afforded the smaller states some level of special assistance.

Maynard said a Council of Ministers meeting should be held before the July Summit of Caricom Heads in the Bahamas, saying there had been attacks on the oils and fats agreement. He said a trend was building to dismantle the agreement, which was designed to assist COPRA producers in the smaller islands.

"That is what we hear coming from some of the more developed countries, and that is a cause for alarm," the trade minister remarked.

Maynard is opposed to moves to get rid of an article in the treaty governing trade which gives companies in the smaller territories time to adjust before facing full-fledged competition.

"It may be that some of these industries have got long periods of protection and we need to look at that...," the trade minister argued.

Another area of concern to Maynard, he added, was a strategy to place specialised Organisation of Eastern Caribbean States (OECS) institutions such as the Eastern Caribbean States Export Development Agency (ECSEDA), under a wider regional body to be known as the Caricom Forum.

The minister said he was concerned OECS interests would be submerged in a forum which included not only the English-speaking Caribbean, but other regional states having a special relationship with the EEC, among them Haiti, the Dominican Republic, and Suriname.

"To the extent that that is done, we will lose the focus for our small countries, and we will be losing that focus at a time when we need to highlight that focus, because of the competition we're going to be faced with—what with NAFTA, the single market in Europe, what with the Common External Tariff, what with devaluations, or should we say floating currencies in the region," Maynard observed. He said these arrangements could be considered factors which damaged the prospects of OECS states to continue to sell goods in the region.

"We need an urgent and early examination of the impact of these things. And I am saying it should be done at the next council meeting," Charles added.

Haiti

Haiti Awaits Arrival of UN, U.S. Negotiators

FL2005175493 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 20 May 93

[Text] Former Argentine Ambassador Dante Caputo, UN and OAS mediator to Haiti; and Lawrence Pezzullo, special envoy for U.S. President Bill Clinton to the Haitian crisis, are expected today in the Haitian capital. Western diplomatic sources in Port-au-Prince reported that the two negotiators will arrive in Haiti to negotiate the decisive phase of a solution to the crisis affecting the country since the coup against the constitutional President Jean-Bertrand Aristide on 30 September 1991.

According to the sources, Caputo and Pezzullo will discuss with the de facto Haitian authorities the terms of reference to establish an international police force, which the United Nation might impose on Haiti at the request of the United States.

Netherlands Antilles

PM Expresses Desire for Closer Ties With Caricom

FL2105013893 Bridgetown CANA in English 1919 GMT 20 May 93

[By Linda Hutchinson]

[Text] Port of Spain, Trinidad, May 20, cana—Netherlands Antilles Prime Minister Maria Liberia Peters says a proposal for advancing Caribbean integration through the formation of an Association of Caribbean states (ACS), should be supported in light of the worldwide emergence of various economic groupings and associations.

Peters, here for the sixth meeting of Caribbean Community (Caricom) ministers responsible for the integration of women in development, told CANA former Jamaica Prime Minister Michael Manley visited the Netherlands Antilles two weeks ago and discussed the ACS proposal.

The Netherlands Antilles, comprising the islands of Curacao, Bonaire, St. Eustatius, and St. Marteen, are an autonomous part of the Kingdom of the Netherlands.

Manley, on behalf of Caricom, is seeking responses from non- English Caribbean countries to the ACS proposal which was put forward by the now defunct West Indian Commission and accepted by Caricom Heads of Government at a special meeting last October.

The West Indian Commission was established by Caricom leaders to review and recommend ways of strengthening the regional integration movement embodied in Caricom.

Peters told CANA while she supported the idea of bringing Caribbean states together, there was a need to clearly define goals and objectives for the proposed ACS.

"In principle, I think all efforts that are carried out to try to bring the Caribbean states closer to each other for a closer collaboration, should be supported," she said. "I think it is important that as the talks are developing to have some more insight on how the structure is going to be and what exactly are the concrete goals that we would like to meet. I think it should not be just another body, besides the other bodies that we already have. We have the Committee for Development and Cooperation here in the region, we have Caricom, so I think we have to define very concrete, the goals for the new association," the Netherlands Antilles leader added.

Peters expressed the hope that after Manley visits all the countries of the region, there would be a summit for Heads of Governments to discuss the proposal together and in a more profound manner. She said although the Netherlands Antilles was on some standing, Caricom committees including labour, health, education, transport, and communications, she hoped for closer ties between her country and Caricom. She expressed a desire to see companies from the English-speaking Caribbean set up in the Netherlands Antilles, noting that automatically they would get preferential arrangements to trade in Europe.

St. Vincent and the Grenadines

GATT Approves Membership Application

FL2105015093 Bridgetown CANA in English 2345 GMT 20 May 93

[Text] Kingstown, St. Vincent, May 20, CANA—The world trade body, GATT, the General Agreement on Tariffs and Trade, has approved a membership application from St. Vincent and the Grenadines, Foreign Affairs Minister Herbert Young said.

Young told CANA the applications of St. Vincent and the Grenadines and St. Lucia were accepted this week. The foreign affairs minister said this would provide the Windward Islands with an inside forum from which to continue pressing the case for preferential treatment of their bananas on the single European market.

Germany and Latin American banana producers are opposed to a new regime which provides continued favourable treatment for Caribbean bananas in Europe while applying quota/tariff restrictions to Latin American fruit. The issue, which has been taken to a GATT disputes panel, is expected to come up for hearing this month.

Young said he was now in the process of obtaining advice on the level of representation needed from the Windward Islands to address the issue before the GATT disputes panel. He said although membership of the trade body had financial implications for St. Vincent and

the Grenadines at this time, it was "worth it in terms of preserving the banana market which is so vital."

Prior to full membership status being conferred on St. Vincent and the Grenadines, Antigua and Barbuda was the only country within the Organisation of Eastern Caribbean States (OECS) grouping that enjoyed a full membership status.

Opposition Plans To Picket House of Assembly Opening

FL2105014393 Bridgetown CANA in English 1932 GMT 20 May 93

[Text] Kingstown, St. Vincent, May 20, CANA—The main opposition St. Vincent Labour Party plans to picket the House of Assembly when it meets for the first time this year next Tuesday.

Party leader, Stanley John, told CANA the action is to focus attention on a number of social, economic, and political problems and demonstrate widespread dissatisfaction with the way in which the new Democratic Party government of prime minister, James Mitchell. was running the country's affairs.

"Throughout the country we find that there are just so many issues across the board that give reason for deep concern and a sense of despondency among Vincentians that we in the Labour Party consider it our responsibility to focus this type of dissafection into action." John said this would serve to inform government that, "there are people who feel strongly enough about these issues who are willing to stand up and be counted".

Next Tuesday's picket would be the second mass activity organised by the party in recent weeks to draw public attention to national issues. The picket, which is expected to last for the duration of the sitting of Parliament, will draw support from the leadership and rank and file members of the party, John said.

Costa Rica

World Bank, Economic Team Discuss Development Loans

PA2005132893 San Jose Radio Reloj in Spanish 1730 GMT 19 May 93

[Report by William Cespedes at the Presidential Palace in San Jose]

[Text] A World Bank evaluation delegation that recently arrived in the country is discussing with the government economic team the social programs and projects that the bank will finance in the next few years. The goal is to reinforce the actions that President Rafael Angel Calderon's administration has been taking toward economic and financial reform. The president has admitted it is necessary to beef up social programs, for which World Bank financing will be sought.

[Begin recording] [Calderon] We will discuss with these delegates Costa Rica's future loans, which will be aimed primarily at social development, particularly in the areas of health and education. This is the purpose of our great economic reform. Costa Rica has one of the highest rates of social investment in Central America. This is a reality. It was necessary to finance this social investment in the country by organizing public finances and the economy. In this way, we would be able to make the social investments the country needs. All of our efforts and organization aim to leave the country in very favorable conditions for the next government. This is what we intend to do.

[Unidentified reporter] What climate do you expect to find at the next Central American presidents' meeting?

[Calderon] A positive one. I have very good relations with all the presidents. They understand our position well. At this historic moment our country perhaps cannot be part of something, although it may be in the future. For instance, conditions do not seem ripe for the country to join the Central American Parliament. And yet we should not despair. Maybe there will be an opportunity for us in the future. As for the integration treaty, we have made several objections, which are being studied. If the grounds for our objections are eliminated, we should not have any trouble signing the Guatemala integration protocol. [end recording]

The social team is meeting at the Presidential Palace to decide on a number of actions, particularly against poverty. A plan, which will include 25 cantons where the largest number of poor people reportedly live, was drafted a few days ago.

El Salvador

Police Break Up Protest by War Disabled; 3 Killed

FMLN's Handal Condemns Police Actions

PA2005224793 Panama City ACAN in Spanish 2033 GMT 20 May 93

[Text] San Salvador, 20 May (ACAN-EFE)—The Farabundo Marti National Liberation Front [FMLN], the former guerrilla group and current political party, reported that three people were killed on 20 May when the police violently broke up a protest by approximately 2,000 war disabled and their relatives in front of the presidential palace.

FMLN General Coordinator Shafik Handal told a news conference that these actions "seriously endanger" the peace process. Ten people were also injured in the incidents.

The FMLN leader, who was accompanied by other former FMLN commanders, affirmed that "shots were fired in a premeditated and indiscriminate manner against a demonstration of disabled people who were led by individuals in wheelchairs, children, and other relatives."

Shafik Handal demanded that President Alfredo Cristiani publicly state "what his policy will be from now on with regard to demonstrations by the people." He also asked the president "to immediately punish those who opened fire and those who gave the orders" to use weapons.

The incidents occurred at 1200 [1800 GMT] in front of the presidency where both Army and FMLN war disabled had gathered.

The demonstrators asked the government to comply with the "Law to Benefit and Protect War Disabled," which was approved by the legislative assembly to guarantee them medical treatment and other types of assistance.

FMLN leaders said that the police acted without any provocation, using their riot gear and regulation weapons. The police have not issued an official report on the action.

FMLN's Medrano Comments on Repression

PA2005231193 San Salvador Radio Cadena YSU in Spanish 1800 GMT 20 May 93

[Text] The Farabundo Marti National Liberation Front [FMLN] Party has issued its first reaction to the disturbances that took place on the morning of 20 May, which resulted in two deaths and several injuries. This is the outcome of the disturbances that took place after riot police dispersed a demonstration staged by former guerrilla fighters and the Army who were disabled in the conflict.

We have statements by Juan Ramon Medrano of the FMLN Party.

[Begin Medrano recording] I would first like to tell you that we believe this was a serious incident. The fact that a peaceful demonstration staged by disabled veterans of the Armed Forces and the FMLN has been repressed is totally inappropriate. They were going to demonstrate at the Presidential Palace to assert their rights, as the programs have not been fulfilled.

We feel this has been a desperate reaction from the rightist sectors of Nationalist Republican Alliance [Arena], because we cannot believe this was an action solely from the chief of the National Police, who was there. We believe it is a bad message aimed at polarizing the situation at a moment when we are opening to democracy.

The FMLN is showing national strength and maybe this scares Arena and they are trying to change the framework of the democratic conditions for a more effective participation by the FMLN.

Another aspect is that we feel the current National Police are mentally prepared for confrontation, war, and repression, and therefore, it is urgent that all the National Police be changed. We feel the Civilian National Police should start dealing with all the labor and social problems, as they would be able to hold a dialogue with the workers and the demonstrators, as in the current case of the disabled veterans.

Human Rights Ombudsman Comments

PA2005233793 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 20 May 93

[Report by reporter identified as Guillermo at the Presidential Palace]

[Excerpt] [Guillermo] Approximately six or seven minutes ago, Human Rights Ombudsman Dr. Carlos Mauricio Molina Fonseca arrived at the Presidential Palace. He is here to be informed about the incident that took place on the morning of 20 May. He has confirmed that as a result of the incidents, two persons died and three others have been arrested. He has asked why the arrested people are being held inside the Presidential Palace. The ombudsman has been able to cross the barricade separating the injured people and the riot forces to talk with the former Farabundo Marti National Liberation Front [FMLN] and Armed Forces fighters to inform them that he is going to join the meeting that the representatives of the disabled veterans and Minister of the Presidency Oscar Santamaria are holding right now.

[Begin recording] [Human Rights Ombudsman Molina] As ombudsman I wanted to be here during this very painful moment for the Salvadoran people. We came here to get information from all the sides. We must establish who is responsible.

[Guillermo] How do you see this situation?

[Molina] Alarming and very painful because this has to do with disabled people.

[Guillermo] What kind of information does your office have?

[Molina] We prefer not to speak about that now. In the next few hours we will be issuing a report.

[Guillermo] Do you think that social peace in the country will deteriorate due to this situation?

[Molina] We hope not, but a precedent must be established.

[Guillermo] What are you going to do here?

[Molina] I am going to meet with people we sent ahead and with all the sectors.

[Guillermo] Any recommendations?

[Molina] The persons responsible must be pointed out to ensure that citizens are really protected, especially when they are disabled.

[Guillermo] Will the country experience a crisis because of this?

[Molina] We hope not, as long as responsibilities are established.

[Guillermo] [question indistinct]

[Molina] I would ask that the prosecutor general join us because he has specific functions dealing with the fight against crime.

[Guillermo] [question indistinct]

[Molina] We believe that demonstrations, if they are peaceful, must be respected. Force is contrary to the freedom of expression.

[Guillermo] [question indistinct]

[Molina] Very worrisome and negative. [end recording]

[Guillermo] This was Human Rights Ombudsman Carlos Molina Fonseca who has met with UN Observers for El Salvador [Onusal] representatives to learn about the situation. However, an Onusal official has reported that the situation is still critical. We repeat, the human rights ombudsman has arrived and will join the meeting being held by Presidency Minister Oscar Santamaria and the representatives of the disabled veterans of the Armed Forces and the FMLN inside the Presidential Palace.

The disabled veterans who are still outside claim they will stay there until they receive a concrete answer. It has also been reported that the corpses of the disabled veterans will be held in vigil at the offices of the National Union of Salvadoran Workers. [passage omitted]

Clandestine Group Announces Military Campaign

PA2105043693 San Salvador Canal Doce Television in Spanish 0317 GMT 21 May 93

[Text] The self-styled Salvadoran Revolutionary Front [FRS] has telephoned our newsroom and warned it will

begin a military campaign in a matter of hours, to protest the deaths of three former Farabundo Marti National Liberation Front [FMLN] fighters. The clandestine group's spokesman said that effective 0000 [0600 GMT] on 21 May they will carry out actions against relatives of military officers and government officials for the aggression against a group of demonstrators. Also, the FRS deplores that the former FMLN General Command failed to guarantee former rebel fighters' rights and that the latter have to go out in the street and fight for their rights.

Legislators Oppose Electoral Budget Cuts

PA2005220593 San Salvador Canal Doce Television in Spanish 0300 GMT 20 May 93

[Text] Deputies Rafael Moran, of the National Conciliation Party [PCN], and Guillermo Guevara, of the Authentic Christian Movement [MAC], maintain that the Finance Ministry made a mistake when it sent a budget bill to the Legislative Assembly requesting a smaller budget for the forthcoming elections than was requested by the Supreme Electoral Tribunal [TSE].

This position has also been expressed by members of the Political Commission and the Assembly's board of directors, and it is the reason why parliament will not discuss the 1994 election budget on 20 May.

Rafael Moran of the PCN criticized the Finance Ministry for having cut approximately 3 million colones from the amount initially requested by the TSE, thereby violating Electoral Code regulations.

[Begin Moran recording] We are going to ask the finance minister to remit the budget just as it was presented by the TSE, which requested a budget of 43 million colones. I am going to support the approval of the 43 million colones; in other words, the Legislative Assembly should not make any cuts in the budget. [end recording]

Finance Ministry officials say there are no funds with which to increase the TSE's special allotment. Even so, the deputies are requesting the approval of 43 million and not the 40 million proposed by the Nationalist Republican Alliance.

[Begin Guevara recording] For our peace of mind and to avoid misunderstandings on the part of the political parties, the full budget should be approved, thereby giving us all peace and tranquility in the knowledge that we will have the necessary, even essential funds for the election. [end recording]

The Constitution states that the Legislative Assembly cannot increase the amounts of any of the items in the budget issued by the Executive Branch; therefore, the Finance Minister will be asked to prepare a new budget bill reflecting the initial 43 million requested by the TSE to defray the cost of the 1994 elections.

Central Reserve Bank International Reserves Increase

PA2005185793 San Salvador LA PRENSA GRAFICA in Spanish 19 May 93 p 3

[Text] The Central Reserve Bank [BCR] of El Salvador had net international reserves of $578 million as of 30 April.

BCR technicians said this is the highest figure in the past three years. They added it is the difference between $654 million in external assets and $76 million in short-term external liabilities.

They deemed it important to point out that current reserves are $125 million higher than a year ago and $30 million higher than last month. This is the result of a $94 million increase in assets and a $31 million decrease in liabilities.

Managers in the economic studies department report the top foreign currency earners in April included coffee exports with $25 million and credits, especially multisector investment credits from the Inter-American Development Bank, which totaled $34 million.

The source said this international financial position will support 3.7 months of goods imports. He added that the current ratio of assets to short-term liabilities is 8.6 times higher than in April 1992 and last month.

Guatemala

Defense Minister Denies State of Emergency Necessary

PA2105033393 Guatemala City Teleonce Television Network in Spanish 1800 GMT 20 May 93

[Text] Defense Minister General Jose Garcia Samayoa has confirmed President Jorge Serrano Elias met with Army military commanders and officers, but he denied that the talks were specifically intended to assess the possibility of establishing a state of emergency.

Gen. Garcia Samayoa said that, in any case, the Army is capable of acting if the situation demands; he warned students not to let destabilizing groups manipulate them.

[Begin recording] [Garcia] It was a normal meeting, not only with commanders, but also with Army officers, to review the country's current situation and the guidelines which correspond to the Army high command, to continue the policy established in this concern.

[Unidentified reporter] Did you discuss the possibility of establishing a state of emergency given that....

[Garcia, interrupting] Not necessarily. That does not necessarily have to be a general concept, or based on a consensus—if I may use the word—in the military. Ours is an organization based on hierarchy and it follows very clear guidelines. These were simply routine talks to review general information and guidelines, meaning public order issues and laws subject to the president's decision and Congress' confirmation. The issues are exclusively the responsibility of people who are clearly specified by the law,

and they do not necessarily have to request other people's opinion. We are quite aware of the guidelines and limitations in a situation like this; and the military corps is strictly based on discipline, which is—in turn—based on the concept of hierarchy. Other issues that correspond to the functional details of maintaining and establishing—or reestablishing—public order in the country are not subject to discussion or approval.

[Reporter] Did you discuss the possibility of having the Army go into action if the current situation extends?

[Garcia] The Army is capable, trained, and prepared for any emergency situation that may arise. That is our mission; that is our work. We must be immediately prepared and ready for any circumstance—whatever it may be.

[Reporter] Minister, do you think the current situation voids the possibility of signing a peace agreement? It is said the guerrilla groups are responsible for the situation.

[Garcia] I think all the Guatemalan people, particularly those who are parents, should issue an appeal to reflect; I do it under that viewpoint to the students. They should meditate and reconsider and refuse to be manipulated by destabilizing terrorist groups that surreptitiously stir up trouble. They should reconsider about their actions and if there are issues which negatively affect their status as students—due to needs that we all know exist—there are other ways to submit their requests other than resorting to violence. Violence only begets more violence. In other words, problems cannot be solved with violence. The best solution under the current circumstances is not the creation of more violence. The law must prevail; the law is the law and it is strict in a democracy—and we must enforce it.

[Reporter] [Question indistinct]

[Garcia] Even if they deny it, remember they created the first student organizations. Did they not create the Robin Garcia Front? How can they publicly deny this now? [end recording]

Serrano on Police Action To Protect Security

PA2005144693 Guatemala City SIGLO VEINTIUNO in Spanish 20 May 93 p 2

[By Lucy Barrios]

[Text] President Jorge Serrano announced that at 2000 on 19 May [0100 GMT on 20 May] the country's security forces went into action in the capital to guarantee the citizens' security and to repress any hooded people found on the streets.

He said: "I want to warn groups that want to instigate this kind of problem, one way or another, that as of today we are going to act with all the rigor that the law allows and that we are not going to tolerate hooded people walking the streets without being repressed, as the Public Order Law establishes."

The president said that those groups have been given enough time to think carefully. He noted that the Executive Branch has endured the insults launched against the education and government ministers and against the government in general. He pointed out that the law backs him.

Serrano called on parents to keep their children from getting involved in troublesome situations and to keep them under control because this contributes to order in the city. In asking parents for their cooperation, the president said that on 20 May the authorities will implement drastic plans considering that the goodwill and excessive respect they have demonstrated have been misinterpreted and the response has been crime and abuse.

He noted: "We have seen how students acting like veritable criminals, with covered faces and defending an unjustifiable cause, have attacked police officers."

President Serrano said that "all honest Guatemalans are paying for the crime of making arrangements so that all students with an identification card may use urban transportation buses free of charge and permit the family this saving."

In justifying the attitude of the security forces, President Serrano explained that he issued them very precise orders to act prudently and that the people exhibiting foolish and troublesome behavior have been kept away from the population, but, he explained, there is still the high cost of more than 30 injured police officers.

With respect to the state of emergency [estado de excepcion], the president commented that his administration has evaluated the situation and determined that it is not necessary because what has occurred in Guatemala is that insignificant rumors have been "overblown" by some media representatives.

He added that some writers have made it their business to instigate and launch subversive and insurgent announcements. In this respect, he did not reject the presence of illegal groups or terrorists in the movements who seek to take advantage of the situation by creating unrest and confusion. "We have not touched the aggressors or criminals, but we cannot continue with this situation. The population as a whole demands that something be done, order must be restored, and the truth is that as of today we plan to get tough," the president warned over a radio and television network.

A few hours before the president's warning, the Association of University Students [AEU] declared that the government decision is a "by-product of a terror policy aimed at unleashing generalized repression and thereby justifying its unpopular economic measures."

"It is urgent that the Army and the government abstain from threatening the people, because this conduct will only turn into another stumbling block in the limited progress obtained in the peace process," the AEU added.

It also emphasized that in light of the economic, social, and political crisis the country is going through, what has

occurred over the past weeks is the result of the government's mistaken attitude, as well as its inability to solve the numerous problems undermining the various sectors of society.

The university students' communique explicitly stated that "the shift evident in the country's political life only leads to deepening the crisis and the contradictions that originated the internal conflict in Guatemala."

Congress, Unions Condemn Attack on Deputy

PA2005122893 Guatemala City PRENSA LIBRE in Spanish 19 May 93 p 2

[Excerpt] [passage omitted] The Guatemalan Congress on 18 May approved Resolution 7-93, in which it strongly condemned the attack on Deputy Chinchilla Vega, as well as the murder of student Abner Abdiel Hernandez Orellana.

Representatives from all parties condemned both incidents and supported the resolution. Congress President Fernando Lobo Dubon said those actions could be the beginning of a terrible spiral of violence similar to others faced in the past. He added it is necessary to prevent persons or groups from taking advantage of the current climate of tension and chaos in Guatemala.

Police Director Leopoldo Guerra Juarez said the attack was part of a plan that shows that there are still sinister groups in the country. Government Minister Francisco Perdomo condemned the action and expressed concern because there are still people who want to take matters into their own hands.

The Light and Power [Luz y Fuerza] and STINDE [expansion unknown] trade unions condemned the attack, describing it as irrational. Juan Raymundo Lopez said the attack on Deputy Chinchilla was not surprising, as the country has been under a climate of terror for the past week.

Labor leaders said the attack possibly coincided with congressional debates on a bill calling for the freezing of electricity rates. Deputy Chinchilla was one of the authors of that bill as member of a commission appointed by the plenum.

Honduras

* Budget for 1993 Totals 5.837 Billion Lempiras

93CA0114C San Pedro Sula TIEMPO in Spanish 25 Mar 93 p 3 [Text] Tegucigalpa—The reduction made in the general budget of the Republic represents merely a fraction of the increase of more than 1 billion lempiras that the government has prescribed for the current year. This reduction is accordingly viewed in political circles as a demagogic act, inasmuch as it will not be of any significant assistance in reducing the fiscal deficit.

The general budget of the Republic that was approved for the fiscal year 1993 totals 5,836,557,591 lempiras, that is to say, more than 1 billion above the budget approved for 1992, which was 4,831,528,500 lempiras.

Of this budget as approved, the Legislative Branch was allocated a total of 44,224,494 lempiras; the Judicial Branch, 45,649,615 lempiras; the electoral agency, 48 million; Office of the President of the Republic, 21,188,245; Ministry of Government and Justice, 142,753,605; Ministry of Foreign Affairs, 53,711,665; Ministry of National Defense and Public Security, 262,700.000; Ministry of Economy and Commerce, 24,897,704; Ministry of Finance and Public Credit, 70,591,492; Office of the Attorney General of the Republic, 2,966,600; Ministry of Public Education, 791,660,495; Ministry of Public Health, 612,503,477; Ministry of Culture, 12,628,610; Ministry of Labor and Social Security, 51,633,309 lempiras; Ministry of Communications, Public Works, and Transport, 755,858,685 lempiras; Ministry of Natural Resources, 146,342,262; Ministry of Planning, Coordination, and Budget, 25,828,500; public debt, 1,973,241,964; and centralized services of public expenditures of the Executive Branch, 750,176,869 lempiras.

The 1993 budget would be financed with 4,776,822,970 lempiras of domestic funds and 1,059,734,621 lempiras of foreign funds, of which 781,030,448 lempiras would be in the form of loans and 278,704,173 lempiras in the form of grants.

The projected total of current revenues for 1993—collected by the various tax collection offices—is an estimated 3.285 billion lempiras, that is to say, an increase of 13.9 percent over the figure for 1992.

The income tax would increase by 21.5 percent, reflecting an increase in the national income by virtue of a recovery in various sectors of the economy and better controls in the bureau of internal revenue.

The taxes on production, consumption, and sales were presented as the most significant categories, in that they account for 38.9 percent of all taxes and represent an estimated increase of 17.5 percent. This increase reflects the 15 percent inflation predicted for 1993, which would affect the majority of these categories in accordance with their respective tax structures.

The revenue derived from foreign trade was expected to be the second largest source of tax revenue, accounting for 29.9 percent of all revenue from taxes. Taxes on imports are projected to increase by 17.8 percent, inasmuch as imports would be affected by the decrease in customs duties.

It was estimated that the revenue from taxes on exports would be less than the revenue collected in 1992—because of the elimination of the export tax on coffee—although it was anticipated that the decline in the revenue collected from taxes on exports would not be too severe, because of the effect of the dollarization of the rate schedule applicable to banana exports.

As for the details of some of the expenditures of the central government, it was decided that 906,135,665 lempiras would be allocated for salaries and wages of permanent employees; 13,437,780 lempiras for day labor; 29,545,572 for various personal services by professionals and technical experts; 107,948,900 for Christmas bonuses; 30 million for vacation pay; 763,000 for publicity and advertising; 14,832,632 for travel allowances and other expenses in connection with domestic travel; 15,318,665 for expenses in connection with representation abroad; 2,249,167 lempiras for travel allowances and other expenses in connection with travel abroad;

For the rental of buildings, 5,026,780 lempiras; for various nonpersonal services, 98,226,033 lempiras; food for persons, 16,401,604; food for animals, 317,593; fuels and lubricants, 17,250,580; building construction, 26,334,290; road and bridge construction, 622,575,247; airport construction, 18,574,900; various construction projects, 25,461,953; construction of potable water systems, 9,159,345; funeral assistance, 4,480,750; subsidies to private persons, 114 million; and medicinal and pharmaceutical products, 72,993,632 lempiras.

Among the most important projects that the government has planned to carry out this year are the construction of the Tegucicalpa beltway; three highways in the San Pedro Sula area; the infrastructure projects at Amapala; the programs for the repair, expansion, improvement, and conservation of the highway network, notably the construction of highways interconnecting with Central America; and the reconstruction and construction of the Toncontin and Roatan airport.

In the introductory statement of the budget bill, the Executive Branch argued that the 20 percent increase in the 1993 budget over the 1992 budget reflected the increase in investment—particularly in the highway infrastructure—as well as the transfers granted to the Honduran Social Investment Fund (FHIS) and the salary adjustment commitments made to the government employees.

Minister of Finance Benjamin Villanueva and Minister of Secplan [Planning, Coordination, and Budget] Orlando Funez Cruz explained at the time that the budget deficit represented 7 percent of the 1993 GDP.

"The level of the deficit," they said, "will be the result of the greater effort by the government to complete projects in the area of basic sanitation and highways and avoid postponement of projects that were started recently."

"Provision is made for a greater effort to obtain an operational surplus in the rest of the institutions in the public sector," they explained. "This will help to bring the projected overall deficit down to less than 3 percent of the GDP for 1993."

The expectations of the administration of President Rafael Leonardo Callejas, however, were not fulfilled, especially with respect to external financing and the collection of taxes on exports. The government was therefore forced to make a small reduction in the budget.

Of the reduction of 680,689,300 lempiras that was approved by the cabinet the previous Monday, the institutions most affected are the Secretariat of Communications, Public Works, and Transport (Secopt), with a reduction of more than 90.6 million lempiras; the National Enterprise for Electric Power (ENEE), 166.9 million; Hondutel [Honduran Telecommunications Enterprise], 73.6 million; and the National Waterworks and Sewer Systems Service (SANAA), 52.1 million; while the Armed Forces are reduced by only 10 million lempiras.

Some politicians and economists believe that if the government really wants to reduce public spending, it should at least have reduced the amount of 1 billion lempiras by which the budget was increased this year, and should have further reduced the budget of the Armed Forces.

* Electricity Rationing Hurts Trade, Industry

93CA0114D San Pedro Sula TIEMPO in Spanish 30 Mar 93 p 4

[Article by D.R.M.]

[Text] San Pedro Sula—The rationing of electric power by the National Enterprise for Electric Power (ENEE) began officially yesterday. Yesterday's blackout was three hours in length: from 1400 to 1700 hours.

The losses to industry, banking, and trade are incalculable, because when there is no electricity, activity comes to a halt at production and service enterprises alike.

Engineer Marcial Santos, manager of the North Division of the ENEE in this city, said that this interruption in service is caused by the rationing, which is controlled directly from Tegucigalpa via the administrative section of that state enterprise. "We have nothing to do with it," Santos said.

The ENEE official said that the administrative section has responsibility for implementing the rationing by zones, which was made necessary by the repair work currently being done on the turbines at the Canaveral and Rio Lindo hydroelectric power plants.

Mauro Membreno, minister of Communications, Public Works, and Transport and chairman of the ENEE board of directors, gave assurances on 19 March that there will be no more blackouts as a consequence of the rationing. He said that the Rio Lindo and Canaveral turbines have already been repaired, and that the shortage in the production of electric power during the last two weeks of February had been corrected.

During the next to the last week in February there were blackouts that lasted up to nine consecutive hours, paralyzing many industries and businesses because of the spoilage of meat, sausages, milk, and milk products stored in refrigerated rooms of grocery stores and supermarkets, without the ENEE taking responsibility for the losses it has caused.

Mauro Membreno said that Honduras is buying electric power from Nicaragua in order to avoid rationing while the turbines now being repaired are put back into operation.

In paid advertisements, the ENEE has asked the public for their cooperation in reducing the consumption of electricity from 1000 to 1200 and from 1800 to 2200 pending completion of the work at the two hydroelectric plants.

The Rio Lindo plant produces 80 megawatts and the Canaveral plant 28.5 megawatts, so that there is currently a shortage of 108.5 megawatts in the nation's overall generating system. Honduras has an installed capacity for hydroelectric power production of 431.5 megawatts, and also an installed capacity of 80 megawatts produced by the three thermal electric plants at La Ceiba and Puerto Cortes, for a total installed capacity of 511.5 megawatts to satisfy a demand of 417.5 megawatts in 1973, according to figures supplied by Federico Breve Travieso, former manager of the ENEE.

The Chamber of Commerce and Industries of Cortes, the National Association of Manufacturers [ANDI], and the National Association of Exporters of Honduras have repeatedly voiced their protests over the unexpected interruptions in service. The manager of the ENEE's North Division, Marcial Santos, said that in the future the public will be warned of any future rationing, which leads one to deduce, by analogy, that the blackouts will be around for a while.

These three organizations of the private sector are protesting not only against the sudden interruptions of service but also against the rate increases.

According to an analysis prepared by the manufacturers' association, as a result of the rate increase that went into effect on 31 January, commercial enterprises classified under Rate B—which relates to low voltage—experienced a 150.57 percent increase in the cost of the electricity they use.

Medium-sized industry—classified under Rate C, medium voltage—which consumes between 125,000 and 1 million volts [as published] per month will experience an increase of as much as 190.13 percent in the cost of the electricity it uses, compared to what it paid under the 1990 rate.

Large-scale industry—classified under Rate Ch [fourth letter in the Spanish alphabet]—which consumes as much as 3 million kilowatts per month is experiencing an increase of 114 percent in the cost of electricity, with the largest consumers—who in early 1990 paid a maximum of 275,000 lempiras—now paying as much as 959,850 lempiras, according to the ANDI analysis.

According to the same analysis, the increase in the ENEE's rates for the residential sector in 1993 will be another inflationary factor, inasmuch as the household consumer will experience a rate increase of 114.78 percent.

* Ombudsman Reports DNI's Use of Torture

93CA0114F San Pedro Sula TIEMPO in Spanish 3 Apr 93 p 9

[Text] Tegucigalpa—Leo Valladares, governmental commissioner for Human Rights, made the National Directorate of Investigations (DNI) "sing," and the DNI admitted for the first time that one of its agents had tortured three citizens with the "hood."

At a breakfast meeting with editors of the nation's principal communications media, Leo Valladares explained the operations of the Office of the National Commissioner for the Protection of Human Rights—an organ created by President Rafael Leonardo Callejas on 8 June 1992.

Last 14 January the commissioner received the accusation made by three residents of Jesus de Otoro, Intibuca Department—Jesus Arquimedez Leon, Miguel Angel Montoya, and Benjamin Manzanares—who said they had been tortured with the "hood" [capucha] by the agent Wilfredo Flores.

Valladares sent a letter to the director of the DNI, Colonel Jorge Andino Almendarez, who refrained from answering on that occasion but did answer the second notification from the commissioner, acknowledging that the incident had taken place and that the agent in question had been punished with 30 days in prison, relieved of his duties, and transferred.

According to Valladares, when the men who had been tortured arrived in the capital to make the accusation, they first went to the Office for Police Responsibility in Casamata, but their visit was fruitless because they were told in effect that "the hood' will never be eliminated."

The commissioner commented on the ridiculous nature of the punishment imposed on the agent who carried out the torture. In such situations, he said, the injured parties have other recourses, such as filing an action against the State of Honduras to determine the responsibility of those who are guilty of this kind of human rights violation.

In fewer than four months of operation—from 19 November to 31 March—the commissioner has taken cognizance of 58 [as published] accusations of human rights violations, distributed as follows: 14 against the Armed Forces, 18 against the DNI, 10 against the Judicial Branch, and nine against the Executive Branch.

The accusations against the Armed Forces are mostly for abuses of authority and for the degrading "hunting parties" that round up young men for recruitment—an action that Leo Valladares branded as a violation of human rights—and for that reason he is also looking into these cases with a view to punishing the excesses that were committed.

One of the accusations against the Judicial Branch that is noteworthy is the case of a criminal who had served one

year longer than the term to which he had been sentenced by the judge but who had not been released because his file had been pigeonholed at the Supreme Court of Justice.

The prisoner—whose name Valladares chose not to reveal—had been sentenced to four years in prison by the judge. The man decided to appeal his case, but when it went on appeal to the Supreme Court, the latter pigeonholed the file. The prisoner has now served five years in prison—one year more than he should have served. He has still not gained his freedom, because the file has not been returned to the court.

Valladares said that he appeared before the Supreme Court of Justice, and acting through his contact at the Court, Rigoberto Espinal Irias, learned that the file had been pigeonholed.

Valladares said that cases such as these—together with the manner in which the accusations made by former agent Josue Eli Zuniga, who disclosed the complicity of some policemen in various crimes on the north coast, have been handled in the courts—demonstrate the "inefficacy" of the judicial system.

In the case of Josue Eli Zuniga, Valladares said, "the judicial investigations have led nowhere," adding that this demonstrates "the lack of effectiveness of the Judicial Branch with respect to the investigations it conducts."

In Valladares' opinion, the communications media play an important role in the work of the commissioner because, he said, "our ultimate weapon is public disclosure." When his office receives an accusation, it tries first to have a dialogue without a confrontation, seeking solutions to the problems brought to its attention with respect to abuses of authority.

If there is not a speedy response from the authority in question, all that remains is to go to the communications media, Valladares said. He emphasized that every act in violation of human rights should be disclosed, so that all sectors may become aware of the problem. The objective is to promote a culture that functions in behalf of the human person.

Commenting on the reaction by some authorities—including the military—to his efforts, Valladares said that "it will be difficult to get them to understand that their defense is not to become angry but to obey the law."

Curiously enough, the package of accusations received by the commissioner includes one against Julio Carcamo, alias "Julio Cubeta" ["Julio Bucket"] of the SANAA [National Waterworks and Sewer Systems Service]. President Callejas gave Carcamo his nickname because he had not implemented a drinking water project, and because those affected regarded this as an attack on the right to health.

The Spanish priest Elias Ruiz—the same person who two years ago accused a colonel of the death of four farm workers in Astillero—also approached the commissioner to protest the fact that the immigration officials—who are under the authority of the military—are refusing to grant him his residency card.

* ANDI Opposes Military Conscription, Service

93CA0114G San Pedro Sula TIEMPO in Spanish 2 Apr 93 p 4

[Text] Tegucigalpa—The president of the National Association of Manufacturers (ANDI), Adolfo Facusse, said yesterday that his association supports the concept of the elimination of compulsory military service and separation of the police from the military establishment.

Facusse made this statement at the National Conference on Militarism and Society—organized by the Committee for the Defense of Human Rights (CODEH)—which was held during two days in the capital and was attended by representatives of the workers, farmers, professionals, tribal organizations, settlers, and women.

"With reference to the military aspect," Facusse said, "we are proposing that there be a genuine change—among other things, that the police be separated from the military establishment and converted into a civilian police force, and that recruitment be voluntary except in times of emergency—proposals that in essence coincide with those that are being made at this conference," Facusse declared.

"Our participation," he further stated, "is based on the accord that the ANDI arrived at with a group of people representing various sectors preliminary to the holding of a pro-free enterprise public meeting last year. In the accord we reached agreement on a number of points, and I came here to reaffirm that accord."

* National Party Blamed for Olancho Deforestation

93CA0114A Tegucigalpa EL HERALDO in Spanish 16 Apr 93 pp 52-53

[Article by EL HERALDO editor Lorenzo Caceres]

[Text] Campamento, Olancho Department—Although the 16 palilleras (secondary wood products industries) established here have created a new source of employment in the area, they are leading progressively to a serious deterioration of the environment because of inadequate forest management, which is reflected in exhaustion of the water sources and a drastic change in the climate from cool to hot.

A unanimous complaint is being heard here: an outcry from the local population, who accuse the palilleras of cutting down the forest indiscriminately—young trees and old alike—to the extent that the formerly thick pine groves surrounding the city are now sparse as a consequence of the massive deforestation that is taking place.

Water, Water, Water! the Local Residents Cry

The most serious effect caused by the deforestation is the water shortage. The rivers—which formerly carried a

large volume of water—were reduced to small streams that have now dried up completely, and instead of trees only bare trunks and dust are visible in the area.

"This deplorable situation has no precedent," the municipal recorder, Angela Ortiz, said. "We are suffocating because of the terrible drought and heat. Some places in this area have not received a drop of water in four years," she stated.

Indeed, it is commonplace to see the local residents walking from one end of the city to the other with their large earthen jars on their heads, in a desperate search for water. Some are en route to the low-lying parts of town to obtain a jar of water from friends who live there and are still receiving a little water.

The latter, however, have recently been refusing to provide the precious liquid, because the supplier of the water has threatened to disconnect them from the water main.

"I remember very well," Beto Rodriguez chimed in. "It was only a few years ago, here in Campamento, that everyone had to go around in an overcoat day and night because of the unrelenting cold. Today it is exactly the opposite, and we are on the verge of living in a total desert."

Forests for Politics: A Bad Bargain

Many of the local residents, including Armando Maldonado, accuse President Rafael Leonardo Callejas' administration of being directly responsible for this serious situation, because the Honduran Corporation for Forest Development (Cohdefor) is handing the forests over to his partisans as a political payoff.

"In his most recent political campaign," Maldonado declared, "President Rafael Leonardo Callejas made many commitments to the people, but in no sense has he kept them. The commitments he has kept are those he made to his closest associates to let them chop up the forests."

"I believe," Maldonado said, "that within a few years the effects will be fatal for the people: in five years, let us say, when the water sources, flora, and fauna are dying out, to the point that all of us—rich, poor, liberals, nationalists, Innovation and Unity Party supporters, Christian Democrats, fat people, thin people—will be carrying a bucket of water.

"The disaster began after this government came to power, with the installation of sawmills and palilleras," commented one humble woman who was carrying a bucket of water many kilometers from her home. "We no longer sleep at night, because we are looking for water. There is water rationing, but there is no water to be rationed. Some communities have gone for four years without receiving a drop of water."

In the opinion of another woman, Oris Granados, the government is responsible for this situation, because in its eagerness to protect its political activists it has granted numerous licenses to a small minority to operate palilleras, with the result that a few profit while the majority perish in a dismal desert.

A Product of Ignorance and of Spiritual and Moral Poverty

"Thank you, Mr. Journalist. I am pleased to have met you. I am also pleased that you are touring Campamento and observing this very deplorable situation, for it is indeed very deplorable," said Sister Ana Maria Calderon when she met the EL HERALDO representative in her office.

In fact, Sister Ana Maria is the director of the Brother Ivan Rolhoff basic technical institute located in the El Cementerio district of the city. "There is no water at the present time," she said at the beginning of the interview. "As a result, some people do not have even a drop of the precious liquid. You can imagine how it is to have no water, in this intense heat and drought."

"The cause of the problem will quickly become apparent to anyone who comes here," she said. "Three years ago Campamento was a beautiful area filled with pines and lovely cedars. Everything was green and cool, whereas today the massive felling of trees is causing the water sources to dry up."

The formerly bountiful and renowned Almendarez River—virtually transformed today into a creek—is a partial solution to the problem. The people are using it to do their laundry and to bathe, although not to drink, because it has been contaminated by the nearby palilleras.

"I shall cite an example for you, Mr. Journalist, so that you can better understand what is happening here," Sister Ana Maria said. "Two years ago the Almendarez River had plenty of water, but today it has very little; everything is totally different."

"I would say," she continued, "that this is a product not only of spiritual and moral poverty but even more of great ignorance, because although we know the problem exists and what caused it, we are not having a dialogue to reach agreement on a different approach that would be more adequate," she indicated in answer to a question.

"We must reconsider the decision to install the palilleras," she said, "because if they are responsible for the problem, it is better that they cease to exist. If we disregard our future, we can say that a few individuals are probably profiting today. But what will happen tomorrow—I am speaking of the future—when the entire population will suffer?"

The ecological problem, however, can be observed not only in this region but throughout the nation. We can go anywhere in Honduras, and all we will see—sadly—is trucks loaded with logs and stumps of pine trees all around us.

What We Are Doing Is Beneficial, Not Destructive, Local Palillera Operators Insist

For their part, some owners of the palilleras in this sector—or their representatives—argue that they benefit

the people and do not cause the ecological destruction of which they are being accused.

Roney Romero, yard boss of the Indema mill, explained in this connection that their exploitation of the forest is technologically oriented, inasmuch as they employ the services of two experts who are graduates of the National School of Forestry Science (Esnacifor).

"We are operating in accordance with programs for thinning and managing the forest that were recommended by Cohdefor, with 100 percent utilization. We remove the trees by tractor if the terrain is hilly, otherwise by animal, that is to say, using oxen," Romero explained.

Indema has 60 permanent employees. It is associated with Industria Triple A, a company located in Yarumela, La Paz Department, to which the squared timber is sent for special processing. It is subsequently sent on to Bufalo, Cortes Department, for seasoning and final processing so that it will be in perfect condition for export, principally to the United States and Europe.

"Affirmative," Romero replied when asked if the exploited area is being reforested. "After the cutters have gone over the slash, we reforest the area in accordance with our plans for forest management. The townspeople's concerns sometimes stem from the fact that they are unaware of how the tree cutting is done. We have limits: if the forested area surrounds a stream, it is not fully exploited, nor do we clear-cut it. We buy it from the owner by the caballeria [approximately 33.2 acres], by the manzana [approximately 1.75 acres], or by the meter [as published], at a price that depends on how remote the property is," he said.

Lack of Technical Experts Indeed a Serious Problem

In the view of the engineer Francisco Bonilla, who is also the owner of a palillera, "what is really serious is the fact that these industries do not have even one professional technician."

"When a forest of conifers is utilized in accordance with the methodology of tree thinning," he said, "I believe there is no ecological damage."

"Thinning is necessary," Bonilla explained. "When there is a concentration of trees per unit of area, trees must be cut, always provided that appropriate technical criteria are observed."

"I believe that the lack of professional technicians is indeed a serious matter," he said, "and experience has shown that the small intermediate industries—which in fact have no expert foresters—are not operating in accordance with the methodology of the tree thinning strategy."

"For instance," Bonilla declared, "what degree of responsibility can a logger [dolmero] have in connection with the utilization of a forest? It is therefore a priority—even a matter of urgency—to have a professional looking after one or two of these industries. Well, I can assure you that any industry employing a forest science professional will subscribe to the methodology of forest management, and there will be no damage."

The Sawmills Do the Damage

Bonilla insisted that the palilleras are not really what causes the damage, as people believe, but rather the sawmills, because they use motorized traction (heavy equipment) whereas the palilleras do not. This is because one of the objectives of the methodology of tree thinning is to provide employment for residents of the area near the forest that is to be exploited—jobs that would otherwise be displaced by the use of heavy tractors.

"When we speak of heavy equipment, we are speaking of the destruction of the arable topsoil—of massive erosion caused by dragging the logs," he said. "A palillera employs four persons for every person employed at a sawmill: a ratio of four to one," he added. Bonilla himself exploits 500 hectares of forest that he owns.

Bonilla argued that the palilleras benefit the local population, stating that Campamento has approximately 400 residents working for the palilleras and putting 200,000 lempiras into circulation every two weeks. Campamento's principal occupation is coffee-growing, he said, and if it were not for these secondary wood products industries the city would truly be in a difficult economic situation.

"I Am Ashamed of the Passivity of the People," Teacher Says

In the opinion of the educator Juan Funez Santos, principal of the Luz Osorio Casco elementaray school in the Los Ocotes district of the city, what is happening in Campamento is a nationwide problem, and everyone realizes that the indiscriminate cutting of the forest will inevitably cause us very serious problems in the future.

"I must tell you," he said, "that I am ashamed of the passivity of my fellow countrymen in the face of the serious ecological crisis that threatens us. The problem is that we are conformists; we do not speak out because we are submissive toward the wealthy person, the owner of the palillera, and others because of the positions they hold."

The educator also complained because the local authorities themselves are doing nothing, as if their own residences were in another world. "Despite the fact that water should be a priority concern everywhere in the world," Funez declared, "it is other matters of secondary importance that receive attention here."

"Our national laws are excellent; they are well standardized but are not being implemented," he emphasized. "We must not forget that there is such a thing as political favoritism, which—coupled with the silence of the people—makes the situation more dangerous."

While all of this is taking place, the poorer residents of Campamento are going desperately from one part of the city to the other with their buckets, jars, and pots on their shoulders, in carts, or on burros, seeking some place

where they can obtain a little water. The wealthy residents of the city who have motor vehicles have to leave Olancho Department and go as far as 12 km into Francisco Morazan Department to bring back the vital liquid in large drums.

Promises...Words...But the Drama Continues

Despite the serious situation being experienced in Campamento, the words and promises that the authorities have uttered in recent years have not been translated into action. They would appear to have suffered the same fate at the sawmill as the green forests of the region.

Some time ago an item was included in the budget to supply drinking water to this community, but to date no one knows what became of these funds. Worst of all, nothing has been done.

Like beads in a rosary, however, both Cohdefor and President Callejas promised—only one month ago—to conduct an investigation of the activities of the palilleras throughout the country.

The investigation was scheduled for 7 April, but no movement in this direction has been observed so far. The president had said that if the palilleras were harmful to the Honduran forests, he would shut them down.

The power saws continue to operate in the Honduran forests, however. Everything seems to indicate that protecting one's political status is more important than protecting the forests from destruction, even if the residents of the communities located in those areas die of thirst as a result.

* Deforestation, Drought Hurt Livestock Industry

93CA0114E Tegucigalpa EL HERALDO in Spanish 6 Apr 93 p 17

[Text] Choluteca—The inclement summer weather recently came to the hot southern region of the country, and the consequences are tragic for the various productive sectors which—with great effort—are daring to invest their economic and human resources. Their reward is that at the end of the work day they have managed to survive, because the climatological factors prevent them from earning any greater reward.

The cattle-raising sector is one of the productive groups most impacted in this region of the country during the summer season, which in recent years has been prolonged as a consequence of the merciless deforestation carried out by individual human beings, sometimes in concert with the governmental institutions that have the task of monitoring conservation of the ecosystem and also the irrational use of water sources such as the Choluteca River, which is overexploited by large melon-growing, shrimp-fishing, and sugar enterprises.

Year after year the lands of the southern region have become increasingly arid and the drought period has been prolonged for several months, causing heavy losses in the agricultural and cattle-raising sector.

When a number of people who for many years have raised cattle for a living were interviewed, they stated that the situation is a matter of concern because the dry season in the southern region lasts longer every year, with the result that cattle raising is no longer profitable. "We work just to survive," they said, because in previous years they lost many head of cattle that died because of the drought—a phenomenon that is common during the summer in the southern region.

Concerning this subject, Luis Lardizabal, coordinator of the Department of Cattle Raising of the Ministry of Natural Resources, told EL HERALDO that milk production has declined by 64 percent in the region and that the production of meat has declined similarly.

Lardizabal explained in this connection that Sampile, one of the largest milk processors in the region, processes between 22,000 and 23,000 bottles of milk per day during the winter season, whereas in the summer (as at present) it processes between 8,000 and 9,000 bottles per day—obviously a much smaller output.

Cattle raising and its profitability are also influenced by the type of cattle feed, especially in the summer season, because the pasture dries up and the water sources are diminished. Moreover, according to statistics supplied by the aforementioned milk products processing company, the decline in productivity is reflected in the decline in production.

During the winter, for example, one pound of cheese is produced from 4.5 bottles of milk, whereas in the summer between 5.5 and 6 bottles of milk are required to produce one pound of cheese.

Lardizabal warned that this is only the beginning of the problem, because in this month of April the situation will be more critical, inasmuch as the water sources will be totally exhausted and the cattlemen will have to continue their struggle to combat various diseases that affect their cattle during this period, such as the malnutritional diseases, vitaminosis, hypocalcemia, and low fertility, all of which impact the nutrition of the animals.

For his part, Silas Hernandez, president of the Association of Cattlemen of Choluteca (AGACH), stated that the majority of the cattlemen whose cattle ranches are distant from the river are those who present the most problems, because they must take their cattle as far as 8 km to the river every day so that they may drink.

Hernandez pointed out that the cattlemen have to buy feed, urea, or molasses in order to be able to feed their animals, because the pasture has dried up from the lack of rainfall.

In this connection, the technical assistance provided by the Department of Cattle Raising of the Ministry of Natural Resources is limited solely to the educational aspect—serving an average of 500 cattlemen per year—

because the department does not have a budget sufficient to provide any solution to the problem.

In the meantime, the cattle-raising sector of the southern region—which is struggling to survive—will continue to face the problems that derive from malnutrition, because pasture is scarce and as a consequence production is declining, the cost of feed is skyrocketing, and there is low fertility.

The cattle-raising sector can only hope that God will take pity on it and send copious rains beginning in May, when the sector will need to recoup all the losses it sustained during the summer, because its objective now is not to produce but just to prevent its cattle from dying so that it can continue to survive.

Nicaragua

UNO Does Not Attend 18 May Meeting With Chamorro

PA2005155993 Managua Radio Corporacion in Spanish 2200 GMT 19 May 93

[Text] National Opposition Union [UNO] representatives did not attend the meeting called by President Violeta Barrios de Chamorro on 18 May because they do not know the details of the farming cycle, members of the UNO Political Council said. Also, the government makes decisions on banking, [word indistinct] not the UNO Political Council. For that reason, the UNO cannot be responsible for the breakdown of the farming cycle, considering that winter began and the lands were not prepared.

The UNO political leaders added that Daniel Ortega Saavedra, as spokesman for the shared government, said the representatives of democracy were irresponsible for not attending the meeting. Deep down, Ortega was annoyed because the photographer of mercenary Paul Riechler could not take a photograph of the UNO representatives with Mrs. Chamorro and Ortega Saavedra to deceive the international community. The circulation of this photograph in the United States and European countries would serve to expedite the disbursements promised by donor countries, the UNO Political Council members stated.

Terms for Demobilizing Armed Groups To Be Discussed in 9 Security Zones

PA2005233893 Managua BARRICADA in Spanish 19 May 93 p 5

[Report by Maria Alicia Talavera]

[Text] The terms for demobilizing armed groups will be discussed in nine security zones, Major General Joaquin Cuadra Lacayo, chief of the Sandinist People's Army [EPS] General Staff, said on 19 May.

He explained that for now no broad policy has been established to offer things that have been previously difficult to materialize for other groups that have disarmed. "It would not be very smart to give broad commitments," he said.

Cuadra said he did not rule out providing other forms of support to achieve the insertion of armed groups into the social and productive life of the country.

The groups—formed by 1,000 or 2,000 men according to the EPS—"have understood the government's position during these months" and agreed to enter the security zones, according to the military officer.

During the last few months, the EPS has carried out actions to support the police in fighting crime, Cuadra stated. He added that this coordinated struggle is supported by the announcement of juridical measures.

The Army General Staff chief explained that EPS supports the police by offering infantry troops and providing land and air transportation to locations determined by Government Ministry and police authorities. Cuadra insisted that the idea is to carry out a "single plan" to eliminate crime, although he said that "we are ready to fight."

He made the aforementioned statements because it has been established that the groups that do not enter the security zones after the government deadline expires (1 June), will be pursued by the Army.

According to Cuadra, there is a larger number of military troops (1,700) than police involved in this operation, because there is very little police presence in the area where the operation will be executed and the groups are not "petty criminal" gangs but rather well-armed groups. This, he continued, "requires a special plan of forces."

The Army will increase the security of roads, because, according to Government Minister Alfredo Mendieta, the access of producers to their properties will be guaranteed.

The key locations of the plan are:

1. Zungano, north of Quilali, Nueva Segovia;
2. San Jeronimo, Esteli;
3. Pita del Carmen, El Dorado, Jinotega;
4. San Pedro del Norte, Laulo, Cubali, in Matagalpa;
5. Quisaura, Boaco; and
6. La Pinuela, El Cacao, in Chontales.

The municipalities encompassed by the decree are:

1. Nueva Segovia: Quilali, El Jicaro, and Murra;
2. Madriz: San Juan del Rio Coco'
3. Esteli: San Juan de Limay, Pueblo Nuevo, and Condega;
4. Matagalpa: Rio Blanco, El Tuma-La Dalia, and Waslala; and
5. Jinotega: Wiwili, Cua-Bocay, San Rafael del Norte, and San Sebastian de Yali.

Matagalpa Archbishop Reacts 'With Caution' to Government Measures

PA2005223093 Managua BARRICADA in Spanish 19 May 93 pp 1,5

[Report by Martha Marina Gonzalez and Juan Carlos Sarmiento]

[Excerpt] Esteli and Matagalpa—On 19 May, Monsignor Leopoldo Brenes, secretary of the Nicaraguan Bishop's Conference, with the production sectors of several of the country's departments reacted with caution and skepticism to the government measures.

"There are individuals who were expecting something more concrete from these decrees, not only to direct the armed struggle against the armed groups but also to procure as much assistance as possible," the Matagalpa archbishop stated. He added that "the peasants are also expecting credit facilities to promote production." In addition, he urged the rearmed groups to carry out a dialogue with the government and to surrender their weapons. [passage omitted]

Human Rights Center on 'Progressive Deterioration' in Abuses

PA2005150593 Managua Radio Ya in Spanish 1100 GMT 19 may 93

[Text] Dr. Vilma Nunez de Escorcia, president of the Nicaraguan Human Rights Center [Cenidh] said on 19 May that the country is undergoing a progressive deterioration in the human rights situation. The Cenidh recently commemorated its third year of existence.

A detailed Cenidh report reveals that approximately 819 reports on human rights violations throughout the country have been received to date. According to the report, the National Police heads the list of agencies charged with human rights abuses, followed closely by the Judicial Branch and then the Education Ministry.

The Cenidh report also highlights the violence the country is experiencing. In addition, the report points out that at least 139 deaths were caused as a result of activities carried out by armed groups from January to March 1993, of which 62 were former resistance fighters, 19 were peasants, 17 EPS [Sandinists People's Army] and National Police members, and 13 FSLN [Sandinist National Liberation Front], 13 recompas, and eight persons linked to some type of union.

Panama

'Proconsul' Hinton Said 'Interfering' in Work To Fight Drug Trafficking

PA2005223193 Panama City EL PANAMA AMERICA in Spanish 20 May 93 p 6A

["Hidden Truths" column by Tomas A. Cabal: "Proconsul Hinton Counters Drug Struggle"]

[Text] Reports gathered in Miami and Panama confirm that Proconsul Deane Hinton is interfering with the work being done by U.S. agencies responsible for suppressing drug trafficking and money laundering.

The officials, who asked that their names not be revealed, voiced their concern over the attitude of Mr. Hinton, whom they accused of "limiting their activities in Panama at a time the trafficking of narcotics and laundering of Colombian drug cartel money is on the rise."

According to these sources, "they cannot wait until Hinton retires to begin new operations against foreign and local drug traffickers, who use Panama as a transshipment point for drugs to the United States."

When questioned on the reasons for the behavior of the U.S. ambassador, they all had the same response, namely "politics" [preceding word in English]. They suggested that political considerations and the need to protect at any rate the image of the democratic government of Guillermo Endara explain the strange behavior of the U.S. diplomat.

When telling our informants that Hinton made strong remarks in December on the danger generated by drug trafficking and money laundering for the democratic institutions in Panama, our sources smiled and reiterated that "that was for the Panamanians, but in practice the ambassador had strictly restricted any initiative against the drug traffickers who continue to operate in the country."

When pressured to provide a more detailed answer on the possible motives for Ambassador Hinton's behavior, the U.S. officials said that "that is the ambassador's style." Hinton likes to maintain strict control over everything he can and cannot do from the embassy. And for the time being the policy is "don't rock the boat" [preceding quote in English], in reference to the cautious ways that characterize the direction of the U.S. proconsul in Panama.

Panamanian sources familiar with DEA and U.S. Customs Department operations in Panama have confirmed the statements of their U.S. colleagues. A high-ranking Panamanian official said that in his conversations with the Gringo agents, they voiced their distress over the restrictions imposed by Hinton, at a time the threat posed by drug traffickers increases.

For instance, Colon Free Zone officials told us that Hinton opposed a donation of antidrug dogs, arguing that Panama "was not going to feed them properly." FBI agents who investigated the operations of a Free Zone enterprise suspected of laundering $200 million of drug money annually annoyed Hinton because they prudently did not stop by the embassy.

We do not know what the motives are behind Hinton's actions; what we do know for sure is that U.S. agents responsible for suppressing drug trafficking are counting the days until he retires.

Argentina

Opposition Deputies Demand Information on Presence of U.S. Army Platoon

PY2005144993 Madrid EFE in Spanish 0054 GMT 19 May 93

[Text] Buenos Aires, 18 May (EFE)—A group of opposition deputies demanded today from the government of Argentine President Carlos Menem information about the presence of a U.S. Army platoon in the northeastern part of the country.

Fifty U.S. officers and noncommissioned officers arrived from Panama on 16 May in the jungle region of Misiones Province, about 1,500 km northeast of Buenos Aires, and immediately began joint operations with members of the Argentine 12th Army Brigade.

The legislators, headed by Deputy Victorio Bisciotti of the Radical Civic Union (UCR), the main opposition party, want to know under what "supposition of war or threat" the exercises are being carried out.

They also wanted explained who the "alleged enemy being confronted" was in the simulated operations and whether these operations were linked with antinarcotics actions, in which according to Argentine legislation only the security forces are allowed to participate.

The legislators asked the government why "it had not requested congressional authorization, in accordance with Article 67, clause 25 of the Constitution," which requires a report to Congress of the presence of foreign troops on national territory.

The request made by the opposition legislators refers to the "entrance of military, police, and secret service personnel into the country on several occasions" without the authorization or knowledge of Congress, especially in cases of antinarcotics operations carried out by several government agencies.

Labor Leader Authorized To Call National Strike

PY2005214593 Buenos Aires BUENOS AIRES HERALD in English 20 May 93 p 1

[Text] (NA-DYN)—During a meeting of its Central Confederal Committee yesterday, the General Labour Confederation (CGT) authorized Secretary-General Naldo Brunelli to call a national strike against the government whenever he considers it necessary.

CGT spokesmen anticipated that Brunelli would call the stoppage "within 30 or 45 days" if the government fails to give the unions a satisfactory answer to their wage and labour claims. Refusing to set a date for the protest, Brunelli quoted Juan Domingo Peron saying the CGT "will hit when and where it hurts."

Economy Minister Domingo Cavallo downplayed the strike threat. "There's still time to talk. Dialogue stands; it hasn't been broken," he said.

In a document issued yesterday, the CGT said Cavallo's economic programme would lead to "lower salaries and spreading poverty." The CGT said real wages have dropped 23 percent since the start of convertibility.

General Confederation of Labor Criticizes Cavallo's Economic Policy

PY2005221593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1117 GMT 20 May 93

[Text] Buenos Aires, 20 May (NA)—In an acerbic document that opposes Economy Minister Domingo Cavallo's economic policy, the CGT [General Confederation of Labor] stresses that the current economic plan "reduces salaries, increases poverty, and deepens the social breach." Moreover, the document makes absolutely no mention of President Carlos Menem.

The document reads that the prices of goods and services "have increased 71 percent during the last two years" and that salaries negotiated through collective bargaining "have lost 23 percent" [of their purchasing power] since the implementation of the Convertibility Plan.

The document was approved on 19 May by the confederation of the CGT. It states that "an 18.4 percent increase in the Gross Domestic Product during 1991 and 1992 was accompanied by an increase in unemployment from 6.3 to 7 percent. This, added to the high rate of under-employment and the critical job situation—some 18 percent—proves that the current economic model reduces the use of manpower."

The labor document is entitled "Fiscal Accounts are Being Closed, Social Ones are Not." It criticizes the credit policy, the disappearance of the BANADE [National Development Bank], and the crisis affecting small- and medium-sized businesses.

The CGT also criticizes imports, which it maintains "are suicidal and refuse to acknowledge international stances in the economic opening without counterproposals and a continually devalued exchange rate."

The document adds: "We are painfully paying for [former Economy Minister Jose] Martinez de Hoz' spree. With the strides we are now making we will have accumulated by 1999 a new foreign debt similar to the one approved under the Brady Plan."

Criticizing the current economic model, the CGT maintains: "It proposes consistent growth in the area of luxurious consumer goods—basically imported goods—while at the same time the people see a drop in their salaries and their participation in the national income, which today only amounts to 25 percent compared to the 50 percent achieved during the 1950's and the period 1973 to 1975."

In the document, the CGT demands that the government draft a health plan, it criticizes the deregulation of social services and the reform of the labor sector and calls for

the abrogation of all decrees "of clearly unconstitutional nature that have curtailed or mutilated the rights of the workers."

La Plata Judge Recognizes 'Movement for Dignity and Independence'

PY2005155793 Buenos Aires TELAM in Spanish 1116 GMT 20 May 93

[Text] Buenos Aires, 20 May (TELAM)—Manuel Blanco, federal judge of La Plata, has recognized the Movement for Dignity and Independence (Modin), which is headed by Aldo Rico, as a political party at the national level.

According to Modin spokespersons, the Electoral Court approved the recognition in answer to a request that was made by Modin's Buenos Aires, Salta, Jujuy, Santa Cruz, and Formosa districts.

The procedure that permitted the national recognition of Modin was implemented through the Buenos Aires Province Federal Court, because this was the district that first recognized Modin as a movement.

The party headed by Rico can therefore now present candidates for national posts in all districts of the country.

Legislators Request 'Preventive Closedown' of Nuclear Plan

PY2005143193 Madrid EFE in Spanish 2332 GMT 19 May 93

[Text] Buenos Aires, 19 May (EFE)—Eleven Argentine deputies today reported that the nuclear power plant located in Buenos Aires Province had "serious problems." The legislators requested the "preventive closedown" of the plant and the dismissal of Manuel Mondino, head of the National Commission for Atomic Energy (CNEA).

The opposition legislators accused Mondino of "negligence" in fulfilling his duties.

The deputies were echoing a lawsuit presented last February by the international organization "Greenpeace" and 92 social organizations representing the residents of the area where the nuclear plant is located. Atucha-1 is situated 70 km from the city of Buenos Aires.

"Greenpeace" published the details of an accident at Atucha-1, which ended with a spill of over one tonne of radioactive heavy water.

The draft bill that the Chamber of Deputies will analyze during its next session was signed by Deputy Ricardo Molinas of the Socialist Party, and by Deputies Cristina de Novelli, Ana Piccinini, Walter Ceballos, Nestor Golpe, Miguel Ortiz Pellegrini, Conrado Storani, Rodolfo Quezada, Ricardo Felgueras, Elvio Molardo, and Jose Maria Parola of the Radical Civic Union (UCR), the main opposition party.

With 24 questions and an extensive argument to support their initiative, the legislators asked for the fulfillment of safety regulations established by the International Atomic Energy Agency (IAEA) and through the recommendations of the world organizations regulating nuclear plants.

In addition to the preventive closedown of the plant, the legislators asked the CNEA to "immediately place the installation in a state of cold stop" (a way to prevent possible radioactive leaks).

Mondino recently answered a Chamber of Deputies request for information dated 20 May 1992, but legislators characterized the report as "insufficient, inaccurate, and contradictory," adding new questions and asking for his immediate dismissal.

Deputy Conrado Storani told the press that "the situation of Atucha-1 is very bad, because the problems reported by the IAEA and the causes of the 1988 incident (when heavy water leaked to the outside) continue to affect the plant, forcing us to conclude that the incidents were not due to human error."

Storani said: "Through his report Mondino wants us to believe that the plant is operating according to original design conditions and insists on blaming the incidents on human error. In fact the maintenance is inadequate, and there is a chronic lack of spare parts," Storani added.

The legislators argued that the CNEA "has not incorporated any technological improvements or innovations as a result of the catastrophes at the nuclear plants at Three Mile Island (United States), Chernobyl (former Soviet Union), Ginna (Italy), and Browns Ferry (Great Britain).

Brazil

Government Begins Cabinet Reshuffle; First Names Published

PY2105032393 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 20 May 93

[Report by Planalto Palace correspondent Renata Verissimo]

[Text] The government has begun its cabinet reshuffle. The first new names were published in today's OFFICIAL GAZETTE.

Fernando Henrique Cardoso has been appointed finance minister. He is in New York and will arrive in Brasilia tomorrow to be sworn in. Itamaraty Secretary General Luis Felipe Lampreia has been appointed acting foreign minister. Acting Planning Minister Alexis Stepanenko has been confirmed in the position. General Romildo Caim has replaced Luiza Erundina as head of the Federal Administration Secretariat.

The OFFICIAL GAZETTE also mentions that Ozires de Azevedo Lopes has been appointed federal revenue

secretary, Claudio Romero dos Santos as the new National Indian Foundation secretary, and Joao Batista Campelo as Federal Police secretary. The new agriculture minister's name will only be reported next week, however.

Presidential spokesman Francisco Baker says that more cabinet changes will occur this week. Baker added that President Itamar Franco has said that there will be no great changes in the economic program. Franco said Minister Fernando Henrique Cardoso had accompanied the drafting of the economic program and that it will not be modified.

Finance Minister-Designate Interviewed

PY2005213793 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 20 May 93

[Interview with Finance Minister-Designate Fernando Henrique Cardoso by reporter Paulo Henrique Amorim in New York—live]

[Text] [Amorim] At 1000 Brasilia time, Fernando Henrique Cardoso phoned President Itamar Franco from New York to confirm that he, Cardoso, is the new finance minister. Mr. Minister, do you have carte blanche?

[Cardoso] Right, that is what he told me. Obviously, within what we.... [pauses] We already have a government program, and we have to implement it. The president and I are longtime friends. He told me I have freedom to act, and that is how I will work. I have freedom to act within the program, which is not just the president's program; it is the country's program.

[Amorim] Former Governor Tasso Jereisatti has just said that it is important that you exercise political skill in designating trusted people to key posts. Will you be able to do that?

[Cardoso] Undoubtedly, I believe this is the normal procedure. If this were not so, the president would not have designated me. He knows that under the current circumstances in Brazil, the minister needs trusted men. The minister's trusted men are also the president's trusted men. There are no discrepancies in this area.

[Amorim] Two more questions, Mr. Minister. The designation of Alexis Stepanenko as planning minister was announced today in the OFFICIAL GAZETTE. Will he remain in his post?

[Cardoso] That should be addressed with the president or Alexis Stepanenko. If it is necessary to coordinate efforts or to designate an economist to strengthen the economic area, there will be no problems. We can have a fraternal conversation.

[Amorim] I heard you were trying to phone economist Edmar Bacha of the PSDB [Brazilian Social Democracy Party] this morning. What does that mean?

[Cardoso] That means that, from my viewpoint, Bacha has a very important role to play in Brazil. I asked him to contact me to help me outline positions and courses of action.

[Amorim] Will you grant a 96-percent increase to public servants?

[Cardoso] I cannot give an increase. There is no budget allocation. Wage increases are part of the budget. It is useless to grant an increase that will fuel inflation. The increase should be in line with the possibilities of Brazil. It is not for me to grant an increase. Wage increases are granted by Congress, which approves the budget. The budget has already been approved. Had there been funds, I would have granted an even higher increase. Since there are none I will not release money that will push up inflation.

[Amorim] Will you enforce a shock? Will there be a price freeze?

[Cardoso] Even if someone tried to impose a shock it would not work because Brazil has become mature and does not accept shocks. Enough of shocks! We must have confidence. I have confidence in Brazil. I visited the United States and Japan and talked with the financial and political authorities of those countries. We can succeed. We should firmly move forward, without shocks but with a lot of work, responsibility, and honesty.

[Amorim] Will you pay off the foreign debt?

[Cardoso] I have no doubt about that.

[Amorim] Will Pedro Malan remain?

[Cardoso] Pedro Malan will remain as foreign debt negotiator.

[Amorim] What will be your policy for Central Bank interest rates?

[Cardoso] Within market conditions, the Central Bank will gradually reduce interest rates, which are ruinous.

[Amorim] Will you implement a plan with full, medium, or no changes at all?

[Cardoso] Brazil is tired of plans. I will work. I will work hard.

[Amorim] Thank you very much.

PMDB President Praises Cardoso's Appointment

PY2105032593 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 20 May 93

[Text] Senator Jose Fogaca, PMDB [Brazilian Democratic Movement Party] president, has praised Fernando Henrique Cardoso's appointment as finance minister. He said the foreign minister is a good politician, is well qualified, and gets along well with Congress.

Fogaca said his party's relations with the government will not be affected by the cabinet reshuffle, particularly because he believes the Itamar Franco administration will continue implementing the same economic policy.

The PMDB president said Eliseu Resende's resignation from the Finance Ministry was a generous act that will allow a broader reform. He criticized, however, former Federal Administration Secretary Luiz Erundina, who left her position amidst accusations against the government.

Senators Express Concern Over 'Risks of Institutional Crisis'

PY2005183893 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 May 93 p 5

[Text] Brasilia—A group of senators yesterday conveyed to the government their concern over the "risks of an institutional crisis" which could undermine democracy. They complained to Civil Household Chief Henrique Hargreaves over the lack of dialogue between Congress and President Itamar Franco. According to Elcio Alvares (Liberal Front Party—Pernambuco State), President Franco is leaning too much toward the so-called palace group and has a mistaken idea of his congressional support. He complained of a "lack of discernment" in the distribution of posts.

In addition to Alvares, the following senators participated in the meeting: Mauro Benevides (Brazilian Democratic Movement Party, PMDB—Ceara), Chagas Rodrigues (Brazilian Social Democracy Party, PSDB—Piaui), Cid Saboya de Carvalho (PMDB-CE), Jutahy Magalhaes (PSDB-Bahia), and Joao Calmon (PMDB-Espirito Santo).

Criticisms Against President Said To Create 'Crisis' Within PSDB

PY2005183293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 May 93 p 5

[Article by Pamela Nunes]

[Text] Brasilia—Criticisms made by Jose Serra (SP) [Sao Paulo], leader of the PSDB [Brazilian Social Democracy Party] in the Chamber of Deputies, against the government of Itamar Franco have created a crisis within the PSDB, setting the senators and prefects of that party in motion. Eleven prefects of state capitals and large cities released a note yesterday rejecting the criticisms and reaffirming their unconditional support for the government.

Mario Covas (SP), PSDB leader in the Senate, called for a meeting of the party bloc last night to make observations on Serra's position. The senators believe that any criticism should not be harsh, because the party is part of the government.

Last weekend Serra said there were no "outstanding" individuals in Franco's team, receiving the support of PSDB President Tasso Jereissati, who also made criticisms when he learned that Finance Minister Eliseu Resende would remain in his position despite accusations that he had favored the Norberto Odebrecht construction company. Jereissati also suggested the creation of a group of outstanding individuals to advise Franco.

The note read in the plenum of the Chamber of Deputies by Deputy Aecio Neves (PSDB) of Minas Gerais says that the PSDB believes the party has "outstanding" individuals in the government. The note adds that the PSDB supports the government in general terms but that the democratic nature of its debates allows differences on specific issues. The prefects noted that the disagreements on the direction taken by the government, administrative options, and matters related to that ministry [Federal Administration Secretariat] cannot be seen as a rupture but as individual positions.

Civilian Household Minister Denies Splits Within Government

PY2105032793 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 20 May 93

[Text] Civilian Household Minister Henrique Hargreaves said the Itamar Franco administration will never have a rightist trend. He talked with several senators at the national Senate today and again denied splits within the government.

Hargreaves denied charges made against him by former Federal Administration Secretary Luiza Erundina and said he will adopt the appropriate measures in this regard. He added that he will answer Erundina's charges in writing and send the document to the Presidency of the Republic. He said he has been devoted to public service for more than 40 years and has never been sued or accused of any irregularity.

Ex-Navy Minister 'Frustrated' About 'Low' Military Salaries

PY2005213393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 May 93 p 5

[Article by Tania Monteiro]

[Text] Brasilia—Admiral Mario Cesar Flores, head of the Strategic Affairs Secretariat (SAE), said yesterday he feels "frustrated" for keeping the troops silent and with low salaries during the two years he was Navy minister for the Collor administration. Flores said he believes the policy on salary equality is only "bait," adding that he realizes today that he "should have granted more freedom to the troops" to complain about their depressed salary levels, which they "bore in the past and continue to bear today."

This revelations were made to Deputy Jair Bolsonaro (PDC-RJ) [Christian Democratic Party-Rio de Janeiro] during a 15-minute meeting on the fourth floor of Planalto Palace. The remarks were later confirmed by Adm. Flores. The conversation occurred less than 50 meters from the hall where President Itamar Franco was

discussing military dissatisfaction with salaries with Armed Forces commanders.

Flores confirmed the conversation with the deputy of feeling "frustrated to see that the policy on salary equality did not become a reality despite the struggle of more than three years that began with Minister Henrique Saboia." Flores added that he was not speaking about this government when mentioning his frustration or dissatisfaction. He later released a note, however, through presidential spokesman Francisco Baker, saying: "I feel frustrated because the military has maintained calm and discipline for a number of years hoping that the policy on salary equality would become a reality, but that was not the case."

Deputy Bolsonaro said Flores told him he kept the troops under control with pronouncements and publications in the BONO (Navy Ministry's cabinet information bulletin) justifying the need to remain united, cohesive, and disciplined because all sectors of society were feeling the burden, not only the military.

Bolsonaro said an indignant Adm. Flores showed him his salary statement showing his gross income at 56 million cruzeiros after 45 years of service at the highest level of the military hierarchy. Flores reportedly said that he was hopeless and frustrated because he did not see the slightest chance for the policy on salary equality to be implemented in the short term.

Article Views Piranha, MSS-1.2 Missiles

Sao Paulo ISTOE SENHOR in Portuguese 24 Feb 93 pp 40-42

[Article by Jaime Brener]

[Text] Missiles are designed to make holes. The rule is also worthy of the antitank missile MSS-1.2, whose manufacturing rights the Brazilian Army is trying to purchase from Oto Melara, an Italian state company. The problem is that besides making holes in tanks and combat vehicles, the MSS-1.2 (Surface to Surface Missile) has increased the Brazilian internal debt. Since 1987 the Army has paid $11.5 million to Oto Melara and its Brazilian partner Orbita to develop the project. Forty percent of Orbita is controlled by Embraer [Brazilian Aeronautics Company] and another 40 percent was controlled by Engesa [Specialized Engineers, Inc.]. In exchange, the Army obtained the rights to produce the missile. The problem is that Engesa has gone bankrupt, leaving Embraer with the difficult job of finishing the project. Embraer took over Orbita in 1991 and injected at least $10 million in public funds in it to keep the company afloat and pay for the debts Engesa left behind. The current Embraer administration, under General Ozires Silva, has decided that it will dedicate itself to the construction of airplanes and not missiles. In order for the Army to receive a return on its investment, Embraer had to subcontract the company Aeromot, from Rio Grande do Sul State, for more than $1 million. The missile was finished and the military command is satisfied. "There is no doubt that the MSS-1.2 is competitive," said Colonel Jose Carlos Amarante, military manger of the project. But the Embraer operation caused a loss larger than $1 million, placing it, as of January 1992, in one of the leading places on the list of public companies to be privatized. Military analysts also consider that the MSS-1.2 affair is far from reaching a happy conclusion. The missile lost an internal bid in NATO (the military alliance headed by the United States), it was discarded by the Italian Army, and it does not have any client in sight. The conversion of the missile into an efficient weapon produced on an industrial and competitive scale in the foreign market depends, in the short term, on the Brazilian military budget, which currently is in a stage of total contraction.

The story about the antitank missile began in 1986, when its Italian name was still MAF and it was not yet off the drafting table. Although NATO recognized the MAF's qualities—a laser-guided missile with a 3-km range, the capability of piercing 750-mm steel plate, and a low price of $60,000—it preferred to adopt the French-German missile Milan, which was at least ready. "The project was very pretentious, very much beyond the capability of Oto Melara," Giulio Peroni, from the Arquivio Disarmio Research Center of Italy, told ISTOE in Rome. The company itself reached the conclusion that there was no market in the First World for MAF. The alternative to ending the project was to form an association with "alternative" industries interested in the transfer of military technology. Orbita was an excellent candidate. Created to produce missiles, it maintained close contacts with clients from the Arab countries. Brigadier Hugo Piva was one of its managers and he immediately accepted the offer by Oto Melara. The MAF gained a new name: "Leo," in honor of former Army Minister Leonidas Pires Goncalves. The military also liked it because it would gain access to modern missile technology with a small advance in capital.

Piva's project portfolio also included the air-to-air missile Piranha, which was renamed "Mol" in honor of former Aeronautics Minister Octavio Moreira Lima. Using the name of a military commander for a new weapon is part of the protocol involving complicated military negotiations. Engesa, the manufacturer of the Urutu and Cascavel armored vehicles, changed the name of its Osorio tank to Al Fahd with the goal of attracting Saudi Arabian King Fahd to a $2 billion deal. The deal was unsuccessful and Engesa was forced into seeking an agreement with its creditors, undermining Orbita's foundations. In order not to leave the "Leo" project at the drawing stage, Embraer gradually injected money into the Orbita company for more than one year, mainly for the payment of salaries. The contribution of capital was transformed into a control decision. Former Embraer Director Superintendent Ozilio Carlos da Silva stressed: "It involved about $10 million when I left Embraer in late 1990."

In fact, Orbita's failure represented much less damage than the two large deficit-laden, state-run companies [elefantes blancos] responsible for Embraer's joining the UTI [expansion unknown]. The subsonic AMX fighter plane, manufactured in Brazil with Italian technology, did not find customers in the Third World or NATO. And the CBA-123 airplane, a joint Brazilian-Argentine project drawn up during the government of President Jose Sarney after a political decision to facilitate regional integration, did not receive significant capital from the Argentine partner. The AMX and CBA-123 projects together sapped about $1 billion, of which $600 billion involved short-term debts, from Embraer. The state-run company already has fired 6,000 of its 12,000 employees. On 16 February, a group of Embraer employees hauled a Tucano military-training airplane, one of the company's main attractions, to Cel. Fernando Prestes Square in downtown Sao Paulo. The haul, which was attended by Embraer President Ozires Silva, was part of a campaign headed by the Sao Jose dos Campos Metalworkers Trade Union, which wants to collect 1 million signatures against Embraer's privatization. This would involve injecting fewer public funds into the company to reduce the results of a megalomaniac policy. And, at this time, the aeronautics industry no longer enjoys the favorable circumstances of the "miracle" and generous subsidies of the military governments of the 1970's.

Eagerly sought by ISTOE SENHOR to clarify Embraer's real situation, the Embraer executive board refused to meet reporters. Concerning the funds siphoned into the "Leo" project, Embraer Industrial Relations Director Antonio Garcia da Silva, a former Orbita company president, merely instructed the Embraer press bureau to say that "Embraer no longer has anything to do with the missile." It actually has—and a lot—to do with it, especially after the Aeronautics Ministry shelved the air-to-air Piranha missile project in the late 1980's. Ozilio Carlos stressed: "The Orbita company had the Piranha money, and the funds supplied by the Army were finally deposited in the company's cash box." Piva tucked the Piranha drawings under his arm, hired Orbita's best engineers, and went to Saddam Husayn's Iraq to complete the project. The Persian Gulf war forced Piva and his group to leave Iraq in 1991.

Meanwhile, in Brazil the Army continued without its antitank project and with the Orbita project on the shelf. In 1991, then-Embraer President Joao Cunha invited the private company Avibras, the single company still able to produce missiles in the country, to finish developing "Leo." But Avibras was not interested, Col. Jose Carlos do Amarante said. "We guaranteed Embraer that we were ready to help in the construction of the 'Leo' project," Avibras Vice President Rubens Porto said. According to him, "new Embraer President Ozires did not follow up the consultations made by Cunha. At that time the job would have been important to us; we were in financial trouble and had reduced our payroll from 5,000 to 300 workers."

The disagreement between the state and Avibras is old. In the corridors of the agonizing Brazilian arms industry, people say the squabbling started in 1975 when Hugo Piva, then director of the Aeronautics Technological Center in San Jose dos Campos, separated Avibras from the Brazilian space program. The firm was responsible for the first Sonda-series rockets, the main space activity at the time. Avibras directors made acidic comments about the "Leo" project, criticizing its laser guidance system. "The system was subject to electronic interference and deviated from its target in the presence of smoke or sand in the Persian Gulf war," an engineer said. Despite the fact that the Astro rocket launcher had been successfully tested in two Middle East wars, Avibras does not even have an Army order to build the device.

Embraer decided to hand the concession for finishing "Leo" to Aeromot, which, even though it is considered a dynamic company, does not have experience in the area of missiles. Aeromot has experience in the development of the Brazilian guidance system for the Italian- Brazilian AMX fighter and the guidance equipment for a spy plane in Iraq. Once the project was signed, Aeromot subcontracted the firm Mectron, made up of old Piva friends. Mectron constructed the firing simulator and finished the test batteries for the missile—which is now known as the MSS-1.2. But there is a long test period ahead before the system can be pointed at real and functional targets. The next steps include a year to evaluate the prototypes—which Aeromot must construct or commission—and one or two years for a pilot lot of 100 units to be built.

"The Army considers that the original contract was fulfilled," Col. Amarante said. The Italian Government has its doubts. The contract between Oto Melara and the Army was not canceled because every time the firm changed partners—Orbita, then Embraer, then Aeromot—new concessions were necessary for the business to be possible. But the most important doubts about the future of the MAF- Leo-MSS-1.2 are raised by those who will finance the project. Aeromot will act as an "integrator" organizing the production of the missile with the participation of several other firms. Embraer has already withdrawn Orbita from the field. Despite the qualifications, however, the disagreements between Avibras and the government might separate this firm as well. The remainder of the "Leo" project must be given to foreign enterprises. But new problems loom ahead. Oto Melara is also in trouble. Its accounts show $413 million in the red. Drastic layoffs and the shelving of the Oto Melara project are not totally out of the question. Perhaps even the MSS-1.2. Today the firm is concentrating on projects with short-term returns. Its major commission is a lot of 200 Ariete tanks for the Italian Government.

Col. Amarante says things should improve once the MSS-1.2 reaches the industrial production stage. "We think each unit could be sold for $60,000, including the shooting range. A lot of 10,000 missiles, which is not a

large order, could produce $600 million with good royalties for the country," said Amarante. The question is whether the Brazilian Aeronauticas and military coffers could wait that long.

Chile

Airlines Concerned Over U.S. Companies' Practices

PY2005174793 Santiago Radio Cooperativa Network in Spanish 2300 GMT 19 May 93

[Report by Manola Robles at La Moneda Palace]

[Text] President Patricio Aylwin today met with top executives of the Chilean National Airline [LAN-Chile], Ladeco [Chilean Airlines], and Fast Air, who conveyed their concern about the role U.S. airline companies are playing in our country. They have also conveyed to the president the need to improve bilateral agreements with the United States in this area, along with the legal framework governing aeronautical activities in our country.

Asked if the losses caused by the activities of U.S. airlines are on the order of $14 million, LAN President Jose Luis Moure said:

[Begin recording] The truth is that their activity entails a nefarious practice, an illegal action that is punishable under Chilean laws, namely under Decree-Law 211 which bans monopolistic practices. It is an illegal activity that is banned by our Constitution.

To estimate our losses is simply an academic exercise, but we could estimate them between $6 and $8 million. Yet the root of the problem does not lie in these amounts but in the fact that this is an illegal activity, which is unacceptable in terms of the legal system prevailing in our country. We are going to wage this battle to its ultimate consequences to preserve our national interests, which are being undermined by the nefarious, illegal practices of U.S. airlines. [end recording]

Asked if Chilean airline companies will have to dismiss personnel, Moure said that the objective is to prevent Chilean companies from going out of business. If this happens it is not a question of reductions in personnel, but simply no jobs at all.

Moure said that what they want is a legal system that would allow them to operate competetitively, soundly, loyally, and fairly.

Airline President on 'Unfair Competition'

PY2105025693 Santiago Radio Cooperativa Network in Spanish 2300 GMT 20 May 93

[Text] Concerning unfair competition—in his opinion—by two U.S. companies against Chilean airlines, LAN-Chile [Chilean National Airline] President Jose Luis Moure said: I cannot imagine such an imperialistic act. The LAN-Chile president, along with Fast Air top executives and ANACO [Association of Commercial Airlines] board members, today met with Finance Minister Alejandro Foxley to inform him about this situation faced by the Chilean aeronautics industry.

Asked if the United States would implement reprisals after the deadline for freezing an increase in flights that had been announced by the U.S. companies United and American Airlines, Moure said any judgment upholding this measure would be passed by the appropriate Chilean organization.

We have a commercial aeronautics agreement with the United States that applies for a third-category country, Moure emphasized.

Defense Minister on Drug Enforcement, Abuse

PY2105011993 Santiago Radio Cooperativa Network in Spanish 2300 GMT 20 May 93

[Text] Defense Minister Patricio Rojas has noted substantial progress in drug enforcement in northern Chile. The defense minister, Carabineros Under Secretary Jorge Kinderman, and Investigative Police Under Secretary Jorge Pantoja toured the First Region to confirm on site the progress achieved.

Minister Patricio Rojas stressed that much still remains to be done in the field of drug abuse in our country.

Asked if the Armed Forces would be used against this scourge, the defense minister responded: No.

[Begin recording, in progress] ... because the Chilean case is completely different. Concerning the drug issue, we are not like the United States, Colombia, Peru, or Bolivia. We are not a producing country. They—Colombia, Peru, and Bolivia—are the world's largest cocaine producers. The Upper Huallaga Valley in Peru is the world's most extensive coca plantation and cultivation area. Therefore, we do not have... [pauses] And the United States is the world's largest consumer market. [end recording]

Minister Rojas stressed that, in his opinion, the Chilean problem does not compare at all with the drug abuse in other countries.

* Minister Correa Interviewed on Coalition, Economy

93SM0233A Lima SI in Spanish 22 Mar 93 pp 30-33, 64

[Interview with Enrique Correa, minister secretary general of the government, by Santiago Pedraglio in Santiago during week of 14 March]

[Text] [Pedraglio] I have learned that various people, including Pinochet, have had words of praise for you. Something to the effect that had he known you, he would

have named you minister. What do you think of this new relationship with well-known figures like Pinochet, for example?

[Correa] By and large they have more to do with judgments about the transition than about personal relations, which I do not have in this case. I think that I have been called on to play a major role in the public image of Chile's transition. And of course I always feel that when they speak in those terms, they are actually talking about the transition.

[Pedraglio] So you are rejecting a compliment.

[Correa] Well, but compliments about the transition also have a personal side, because we are making a major political effort in which we are using all of the capabilities that we possess.

[Pedraglio] Agreed. I have heard the rumor that a sort of "small committee" is running the government nowadays, the people in charge of the day-to-day operations so to speak. Reportedly they are President Aylwin, the secretary of the presidency, the interior secretary, and you. Is this true?

[Correa] In the political arena, yes. Now then, unlike previous Chilean governments, this political team works very closely with the economic team. The two constitute the true core of everyday work, and the main ministers in these two areas generally make the decisions.

This makes economic policies almost completely consistent with today's political needs.

[Pedraglio] Does President Aylwin's confidence in you stem from the time when he was president of Christian Democracy, or has it been a sort of rediscovery, because you now belong to the Socialist Party?

[Correa] Naturally we saw each other a great deal in the Christian Democrat Party (PDC). I was president of Christian Democratic Youth during the time that he was president of the party. But I think that the current trust was developed during the period of the plebiscite and later during the period of the presidential campaign. These were the times of our closest collaboration.

[Pedraglio] Has the leadership of the Socialists and Christian Democrats in the government overcome the problems of the former Popular Unity [UP]? Back then, I think, the party leaders met almost weekly with Allende. My understanding now is that there is supraparty direction, a direction of the State, of government.

[Correa] This is precisely the approach that we have followed: a supraparty government. In other words, a government that the president runs, with ministers who are from different parties but who basically enjoy his trust. And the parties have conducted themselves in a particularly responsible way.

[Pedraglio] Have they not been mistrustful that the governing is going on above them?

[Correa] No. On the contrary, the parties have supported this method of governing. Naturally tensions arise here and there in the daily conduct of affairs, but I would dare say that as a rule there has been loyal and unqualified backing not only for the government but also for this method of governing, which I think, moreover, is the only method compatible with a system that is as strongly presidential as ours.

It is likely, and I think that the country needs it, that when the political and economic situation evolves still further, a change in the political system will be possible, a change towards a semipresidential system with, therefore, a greater role for the legislature. There the parties will play a role different from their present one.

[Pedraglio] To change the subject, don't you think that what the right did under the Pinochet regime, particularly in the latter years, represents a true economic revolution?

[Correa] I think that structural reforms of great importance were carried out, reforms that we have not just continued but also developed further. From this standpoint, these reforms have made a powerful contribution to the success of Chile's transition. Unfortunately, these economic reforms combined with two factors that in our opinion are negative. First, they were undertaken by an authoritarian regime during which there were serious violations of human rights. And second, they were conducted with an orthodox neoliberal approach (I would go so far as to say a dogmatic approach) that did not give sufficient consideration to the social component of every economic policy, and at one point this created an aversion to these reforms in the country.

To the extent that these economic guidelines are being maintained today and are being coordinated with new criteria of social equity, on the one hand, and the building and consolidation of a democratic system that coexists well with this kind of economic policy, on the other, a broad consensus has been developed around this economic agenda.

[Pedraglio] In the 1970's, the agenda that Chile was looking at was not a dictatorship of the proletariat, because that it was not; rather it was a radical democratic agenda with a strong Marxist presence in its leadership. Another agenda emerged to oppose it, not exactly the National Party's agenda but Pinochet's. The country thus reached a crossroads. Let us put it this way: Was Pinochet's agenda more effective, historically speaking, than Poplar Unity's?

[Correa] The main problem that the country faced in the 1970's was the recurring tendency towards confrontation and division into tragic strategic dilemmas. I do not think that this tendency was overcome during the Pinochet regime. It has been our government that has overcome this climate of confrontation (for a long time now, I think) that characterized the country's politics for decades.

[Pedraglio] I am bringing this up because in Peru this is ultimately the issue too, albeit in a different way. Something to the effect that a government like Pinochet's is needed, a sort of bitter pill before moving on to a different stage. Could something of this sort be interpreted from Chile's experience?

[Correa] I do not think so. I think that the country achieved peace when it was able to properly combine economic growth and market policies with social equity and democracy. This is precisely the formula that has made the Chilean process successful.

[Pedraglio] Obviously today in Chile there is a new consensus, not only in the coalition but also on the right.

[Correa] We are no longer faced with tragic dilemmas.

[Pedraglio] Let us say that a broad new coalition has developed among all political factions. Does prior experience compel people to learn "willy nilly"?

[Correa] Yes, but this was the case because Chile's main parties failed to forge a consensus before the military regime. If one analyzes with the distance that time provides, the truth is that Chile was not inescapably doomed to a military regime. It could have been avoided if the progressive forces had gotten together in time and had not developed mutually exclusive agendas. I am talking about the left and Christian Democracy.

[Pedraglio] It would have had to be a hypothetical broad coalition between the DC [Christian Democracy] and UP [Popular Unity]....

[Correa] Which was up for discussion in the 1970's.

[Pedraglio] And which was harshly described as reformist.

[Correa] This is not an a posteriori reflection. There were those of us who posited the need for such coordination, not only as a response to a political emergency but as an opportunity to develop a historic agenda that would bring together the forces of change. The basic cause of the insoluble political crisis was that forces that called for change took refuge in their exclusionary visions and failed to pave the way for a climate of cooperation, as happened in our country in the 1940's. That was a stable decade precisely because it was a period of broad Social Christian coalitions.

[Pedraglio] I feel that the parties are as they were before but at the same time they are different. I think that they have become convinced that they need to treat each other differently.

[Correa] Of course. And this is understandable not just for political reasons. With a comprehensive view of the Chilean process one can draw the conclusion that there are two transitions: one from authoritarianism to democracy, and the other, a longer, more historic one, from archaism to modernity. In other words, the behavior of the current political actors in Chile cannot be explained without an understanding that the country as such is in the midst of a rapid modernization process.

[Pedraglio] In other words, there is a material foundation that dictates a realignment and a new connection between Chilean forces and the country's social, cultural, and economic realities.

[Correa] This is true. And the country has a historic opportunity to become a developed country, not right away but in no more than two decades.

[Pedraglio] Politically speaking, the Socialists and Christian Democrats agree broadly on a program.

[Correa] Yes. The discussions that the parties have had on a program in recent months has been interesting. They practically have ready a final draft of a new coalition program, and the agreement is almost total. The consensus on the 1993 program is much broader than on the 1989 program. This is of course because we have had a shared experience in government.

[Pedraglio] In other words, the coalition is here to stay.

[Correa] That is the case. Naturally, as the process consolidates and the country becomes more modern in practice, the degrees of differentiation will grow. And my impression is that socialism is going to be particularly attractive because of the profoundly secular manner in which it addresses the problems of politics, the State, and society.

[Pedraglio] Let us say that the difference between Socialists and Christian Democrats does not have to do with overall government policies or economic policy. Perhaps it is on issues like abortion, divorce, the treatment of youth...Where do you think the biggest differences between the DC and Socialists lie?

[Correa] I think that it is possible to predict a certain cultural controversy between the two groups that, in my opinion, is altogether manageable within a coalition. But there are unquestionably differing cultural approaches. Now having made this assertion, I must qualify it, because our own parties, Christian Democrats, Socialists, the Party for Democracy (PPD), the Radical Party, the main coalition parties, are also marked internally by this tension between modernity and tradition. Therefore, there are many more channels of communication between the leadership groups.

And this government has created the conditions for a group of statesmen with very similar visions who, if things are handled intelligently and sensibly, can govern the country for a long time.

[Pedraglio] That is very positive. But it entails the risk that there will be a political class that runs the government very well for some 20 more years but that closes itself off, like any political class. How can a smooth, democratic leadership in which young people can establish a presence be insured? This is also a decisive issue.

[Correa] Unquestionably. The very reform of the State that we are undertaking (its first stage has been the municipal reform and, for the first time, a true regionalization of the country) is also going to create conditions for the institutional distribution of power. I think that the only effective way not to turn this virtue into a defect is not ever to renounce a very deep rooted conviction in favor of decentralizing, of distributing power among regional, local leadership groups...To the extent that this is not done, we could of course run the risk that you have mentioned.

[Pedraglio] Looking to the future, might factions of the right-wing National Renewal be included in a national coalition policy?

[Correa] I think that we are going to have this opposition-government dialectic for quite some time. But none of the government's most important initiatives have meant confrontation. There are already major degrees of consensus between the government and the opposition. Since 1993 is an election year, their differences will probably be underscored, or invented....

But I have the impression that the way we are now, things are going to go well, and we are going to continue enjoying this major consensus. And I do not exclude the UDI [Independent Democratic Union], a party that of course is more supportive of the military regime but that has a particular proclivity towards modernity. And in National Renewal there coexist a push towards modernity, on the one hand, and long-standing oligarchic and conservative traditions, on the other.

[Pedraglio] Don't the Socialists fear losing their identity in an alliance with the DC?

[Correa] Well, that is always the tradeoff in coalitions, especially for the smaller parties. But one of the virtues of Ricardo Lagos' campaign as a presidential hopeful has been precisely that it has shown that Socialist groups' growing assertion of their own identity is perfectly compatible with their participation in a coalition. Now then, the Socialist Party and the PPD do not feel that they are doomed to always being the number two force in the coalition; otherwise, they would not remain in it. They hope that one of their own becomes president as soon as possible and that the coalition does indeed eventually have a leading figure from our world.

[Pedraglio] The National Renewal candidate, Manuel Feliu, is also calling for his own coalition, between his people and the Christian Democrats.

[Correa] The right is always hoping that the Socialists will return to the jungle. I think that they fail to realize how profound an internal revolution socialism has undergone or what sort of potentialities socialism's renewed acquaintance with the sound traditions of liberalism means for it.

[Pedraglio] What are Chile's economic prospects now? Is it true that you are thinking about a per capita income of $5,000 by the year 2000?

[Correa] That is a benchmark number. The growth rate is considerable, and unemployment is practically nonexistent. We feel that we are going to continue to see a significant rise in real wages. But we have two matters to take care of. The first problem is that we have not completely gotten rid of the virus of inflation, and therefore our growth policies have to be particularly cautious. A second challenge is that so far we have been helped by a period of easy exports. We are getting into a more complicated period. In the years to come we will not be able to continue selling raw materials with comparative advantages and inexpensive labor. We will require a major increase in productivity and value added. And this is inseparable from ending the problem of poverty, because a country that has the shortcomings that we still have on our back is unquestionably faced with severe bottlenecks in this challenge of productivity, value added, skills, better qualified human resources. A country like ours, which practically enjoys full employment, must now tackle the issue of quality jobs, and this means a sweeping overhaul of our educational policies, enhancing the quality of life, and raising the levels of civilization.

[Pedraglio] Indeed. The new U.S. policy and protectionist policies in Europe will make it harder to export and force us to consider radical conversion policies in branches of industry that are not looking outward.

[Correa] This is certainly a far-reaching task. The issue of reconversion is unquestionably fundamental for the next five or 10 years. Our farm exports have increased steadily. At the same time, though, we are having severe problems in our traditional agriculture, which needs to be reconverted. If we want stable development, our growth must not impair regional equity in a very extensive country. We need selective reconversion policies for regions that are lagging behind.

[Pedraglio] And what about jobs?

[Correa] Reconversion policies must take a more modern approach to the labor issue. The country is coming of age and needs the kind of unemployment insurance it currently does not have, so that labor reconversion does not bring social upheavals that could thwart the process in general.

[Pedraglio] You are estimating annual growth of 6 percent.

[Correa] Between 5 and 6 percent.

[Pedraglio] If we do better and have two or three straight years of 11 percent growth, as we did in 1992, some ticklish bottlenecks could develop.

[Correa] Yes. We have a problem with our infrastructure. We have undertaken a very ambitious program. There are two strategic issues: the modernization of our railways and the improvement of our road systems. We

also plan to begin thoroughly modernizing our ports this year so that the next government can continue the work.

[Pedraglio] Feliu, the National Renewal candidate, has called for "importing" unemployed talent from socialist Europe. What policies do you have for developing and enhancing required skills?

[Correa] We already have significant installed capacity. We also think that it is important to attract highly qualified scientists, and in this regard we agree with Feliu's suggestion.

[Pedraglio] The general elections are drawing near in Chile. The Coalition has to decide between Ricardo Lagos and Eduardo Frei as its candidate. All indications are that Frei will be the candidate.

[Correa] That is your opinion.

[Pedraglio] It is public opinion. In any event, why do you prefer Lagos?

[Correa] Ricardo Lagos can be a good president because he is the sort of modern leader and statesman that the country needs. The influence of Lagos' leadership in the Socialist and PPD world is going to be lasting, because he has really been a key element in the modernization of this political force.

[Pedraglio] Do you think that the political situation in the country would allow a Socialist president?

[Correa] I think that any veto of socialism has been lifted.

[Pedraglio] Even in the military?

[Correa] It could be more inclusive, but we are moving in that direction. This has been my own experience. I am a Socialist and I have very strong and good relations with the military.

[Pedraglio] But the Socialists are not yet in the Defense Ministry, and it is my understanding that this is part of what is now being negotiated with the DC.

[Correa] But I do not think that it is because the military is setting conditions or has an adverse opinion. It is not because of that.

[Pedraglio] Yet just a few seconds ago you acknowledged that the right still thinks that it is better for the Socialists to remain in the jungle.

[Correa] No. They dream about that, but I think that the factors that made the experience of the Socialists in government unworkable have vanished. There are no prejudices about Chilean Socialists in the United States: Ricardo Lagos has terrific relations with businessmen, as good as or better than Economy Minister Carlos Ominami does; and I think that we have developed a very reasonable relationship with the Armed Forces.

[Pedraglio] Do you think that Lagos would have been as good as or better than Aylwin in the transition?

[Correa] He would have done very well. Just as he did: he was a brilliant education minister, one of President Aylwin's closest collaborators and a very prominent figure in the basic decisions that the government made at crucial moments.

[Pedraglio] The importance of the Socialists' work in the ministries is not at issue, as a wide range of sectors have acknowledged it. But a Socialist president would have a different qualitative significance.

[Correa] But as the coalition endures, socialism's status as a force in government is going to grow and become obvious to everyone.

[Pedraglio] What sort of new relationship are Socialists and Christian Democrats seeking in the upcoming elections?

[Correa] The next government, while maintaining its supraparty character, may be more of a coalition government in which the parties play a bigger role.

[Pedraglio] Might there be a a more equitable "sharing of power," shall we say?

[Correa] Yes. And unquestionably what Ricardo Lagos has very aptly said: a lifting of the strictures on or of the areas that are off limits to socialism.

[Pedraglio] But isn't Ricardo Lagos making a mistake in his preliminary campaign strategy by seeking to vie for the political center with the Christian Democrats?

[Correa] I think that socialism, and probably the Party for Democracy more than socialism, has also won a place for itself in the political center. We are evolving more and more towards being forces on the center-left and towards positioning ourselves in the nonreligious center. The country has a long tradition of a nonreligious center, and I think that this is a promising destiny for today's socialism.

[Pedraglio] The following is a fact: the Coalition's candidate will win the election. Will the term of office be reduced to four years?

[Correa] We are determined to reduce it. Sometime in the next few weeks the president will submit a draft constitutional amendment.

[Pedraglio] How long a term does this amendment call for?

[Correa] Four years, with no reelection.

* Health Ministry Views Further Privatization

93SM0234A Santiago EL MERCURIO in Spanish 2 Apr 93 pp A1, A16

[Text] The Ministry of Health is studying the privatization of various services, ranging from laboratory tests to

surgery, according to Cristian Baeza, the director of international financing of that state ministry.

The official made the announcement during the presentation of the Modernization Program of the Chilean Public Health Care System. Also present at the ceremony were senior officials of the World Bank, which authorized a credit of $90 million for the program.

Among the representatives of the international agency present were Julian Schweitzer, the Chief of the Latin American Division of the World Bank, and Evangelina Javier, the official in charge of the Chilean program.

Baeza said that the Ministry of Health is already obtaining a number of services from the private sector, such as laundry, cleaning, cooking, and watchman services.

"We want to go quite a bit further, extending to clinic, laboratory, radiology services, and if possible to surgery, so that the private and public sectors are the same. The sector will be one alone, with two great allies that will compete if necessary, or that will be complementary to the extent needed."

He explained that the privatization of these services is aimed as much at increasing efficiency as the allocation of the sector's resources. "All of the adjustments are for the purpose of improving the efficiency and the quality of care for our people."

The Modernization Program of the Chilean Health Care System is designed to achieve this goal. The program will cost $350 million, of which $90 million were contributed by the World Bank.

Technical Assistance

Evangelina Javier said, with respect to technical assistance, that this program is the successor to another technical assistance program that cost $45 million, of which 27 million were contributed by the international financial institution.

She added that this was an emergency program that was designed to improve institutions in the metropolitan region.

Regarding the second program, which is to begin soon, she pointed out that this is a project involving the integral modernization of the national health sector, seeking the decentralization of services by creating health clinics in order to reduce overcrowding at existing institutions.

The program will try to make it possible for patients to obtain services or treatment at locations close to their homes, without the considerable waste of time and resources that occurs at present.

The program will also attempt to improve hospital infrastructure, including buildings and equipment, in Santiago and the regions, in order to improve efficiency, systems, and the quality of care.

The World Bank officials said that Chile's reform of its health care sector has generated much interest in Latin America, as our country is a pioneer in this kind of program, and there is a great demand for professionals who are working in the program to carry it out in other countries in the area.

Evangelina Javier said that a new health care program in Chile is under study, this time oriented toward adult health care.

Schweitzer also reported that, in addition to these health care programs, the World Bank is providing resources to the education, public works, agriculture, and environmental sectors.

He said that the bank had completed important programs with Chile in previous years that were related to structural readjustments. The bank has now changed this objective in order to strengthen the social areas and increase the efficiency of its investments.

* Impact of Railway Privatization Law Viewed

93SM0234B Santiago EL MERCURIO in Spanish
4 Apr 93 pp A1, A15

[Excerpts] Filth, undependable timetables, inefficiency, old seats, and, in general, poor attention is what many associate with the State Railways.

And it seems incredible that this situation should exist in Chile, the country that pioneered this means of transportation in the region. Could this exist in Chile with its geographic characteristics and unquestionably good rail system—laid down at the end of the last century—that connects the principal cities? These are characteristics that could well have maximized its use.

Not even the enterprise's new director general, Enrique Mendez, denies this reality, although he appears optimistic because of the opportunities for efficiency offered by new legislation passed by Congress last October.

Law 19,170 will allow the State Railway to operate like a privately owned company, finally adopting free enterprise standards.

Nevertheless, German Brieba, director of Ferrocargo, an institution that was created 10 years ago as a concession when State Railways was not able to handle its cargo, explains that the measure omits a feature that the presidential initiative contained: equality of the terms of competition with other means of transportation.

Thus, while the railway lines must be maintained by the enterprise, the highways are built and maintained by the state. [passage omitted]

In the Chilean example, there is a notable deterioration of the lines, and a consequent delay in the transportation of passengers and cargo. Therefore, Vildosola claims that "the new law arrived at a critical moment; the railroad was dying."

This measure provides that the routes remain the property of the state, but that the freight be contracted out to the private sector. "The railway lines have to belong to the state," Vildosola points out, "because the state also owns the highways."

Meanwhile, Enrique Mendez of State Railways emphasizes that among the new law's advantages is "the commitment of the executive and legislative branches to the future of the State Railway. It has been given the opportunity to change and to end the deterioration."

The director of Ferrocargo points out that the new law offers a basic solution. "It is an instrument capable of resolving problems dating back many years, as long as the resources are managed properly."

Nevertheless, for private citizens to be persuaded to invest in the sector, for example, they must be provided with incentives such as good railway signals.

Private persons will have to pay a toll, Mendez explains, which will pay for maintenance, railway signals, marshalling (order and itinerary of trains), and communications.

Carlos Vildosola proposes that "the better the rail line, the higher the toll should be, because it allows higher speed."

There are also those who propose that not only freight should be privatized. German Brieba believes that "the entire operation should be turned over to the private sector, including the administration of the rail lines, but not their ownership."

The director of Ferrocargo explains that there is a possibility of finding a different form of partnership with State Railways. In the case of the firm that he heads, the elements exist for a new form of association, over a longer term.

There is agreement that competition within the railway system is desirable. Nevertheless, Brieba points out that "to arrange for competition within the different routes would cause deterioration among the companies that would be to no one's advantage."

There is also agreement that equality of conditions with other systems of transportation is crucial, because otherwise the new legislation would have no effect. "The same rules should apply to everyone. If the state establishes equality of conditions for the maintenance of lines, then the railroad will be competitive," says the director of Ferrocargo.

He believes that the best formula is to privatize freight by specialty: lumber products, ores, and manufactured goods, such as cement or iron.

And Now What?

Mendez points out that the law also includes some features that are indispensable for efficiency, such as adjustment of staffing levels, because "there is an excess of personnel." To do that, he favors the payment of a significant indemnity for persons that the firm considers to be superfluous.

"The enterprise is experiencing losses. It is forced to maintain loss-producing routes that, in the end, result in a financial deficit," he commented.

It is worth noting that more than half of the locomotives are nonoperational, parked in the stations' yards.

As a result, a series of initiatives has been undertaken to reverse this situation, such as: a new rehabilitation program for lines, rolling stock, coaches, and locomotives; modernization of management; and the establishment inside the firm of a commercial outlook.

The problem of freight is being addressed without a doubt. But, what about passengers?

Vildosola says that "the train is more comfortable and safer than the bus."

Meanwhile, Mendez says that the enterprise will concentrate on winning back the confidence of the public, "so that they will be proud of this service in the future."

But no one should forget that people demand punctuality, frequency, and courtesy from the personnel who serve them, all qualities that, at present, are conspicuous by their absence."

Much capital will doubtless be required to achieve these modernizations. Where will it come from?

The director of State Railways explains that the law allows recourse to the state for vouchers to provide access to funds for investment in infrastructure and rolling stock. Similarly, the law provides for the possibility of generating funds through the sale of excess assets, such as unused land and buildings.

The law also permits the issuance of bonds (as long as the firm has a development plan that meets with the approval of the Ministries of Transport and Finance) and obtaining loans (the authorization is well advanced for a Japanese credit of $50 million that will bring the enterprise close to the $65 million that is needed).

According to Mendez, the first results will be visible between now and the end of 1994.

He also promises that courtesy toward passengers will improve this year, as much effort is being dedicated inside the firm to achieve this goal.

German Brieba is also optimistic and declares that State Railways is an enterprise "that has a great future if it improves its performance."

Only time will tell, and we will see, perhaps in this decade, that those European rapid trains that we dream about will be in our country.

* Codelco 1992 Earnings Summarized

93SM0234C Santiago EL MERCURIO in Spanish 2 Apr 93 p B1

[Text] Although Codelco [Copper Corporation] Chile's total profits grew by four percent during the period 1991-92, rising from $292.8 million to $304.7 million, the company's balance sheet published yesterday differed considerably with regard to each one of the divisions that compose the corporation.

While most of the divisions experienced an increase in their profits, the largest, Chuquicamata, showed a decrease of 9.2 percent.

In fact, while this division earned profits of $219.8 million in 1991, profits declined in 1992 to $199.6 million. According to the company, the decrease was due to the higher cost of selling 30,000 tons of copper cathodese acquired from third parties during the period, and to the rising cost of production at the field.

This was not the case for Codelco's second most important division, El Teniente, which last year experienced a substantial rise in profits, which grew from $40 million to $61.1 million, for an increase of 52.5 percent, due principally to an increase in sales and to a decline in production costs.

The Tocopilla division's profits increased by 28.9 percent from 1991 to 1992, growing from $18.1 million to $23.3 million. The El Salvador division increased its profits by 27.5 percent, from $9.8 million to $12.5 million.

The most important increase in profits among Codelco's divisions was obtained by Andina, where profits rose from $5 million to $8.5 million, for an increase of 69.4 percent.

Finally, the recently created division Talleres de Roncagua, in its few months of operation, registered a loss of $442,000.

Despite the Chuquicamata division's decrease in profits, they account for a major portion of Codelco's profits, as they represented 65.5 percent of the firm's total profits in 1992. Profits from the El Teniente division accounted for 20 percent of the total, those of Tocopilla 7.6 percent, those of Salvador 4.1 percent and Andina's 2.8 percent.

Sales and Exports

Codelco's total sales in 1992 reached $3.016 billion dollars, compared with $2.774 billion in sales in 1991.

However, production costs also underwent an important increase, growing from $1.449 billion to $1.652 billion, confirming the tendency toward rising costs that the company has experienced in recent years.

In addition, the firm contributed $226.5 million to the Armed Forces under law 13,196, which provides for the payment of 10 percent of Codelco's foreign sales for that purpose.

The amount is slightly higher than the contribution in 1991, which amounted to $223.5 million.

Codelco Profits, by Division (in thousands of dollars)

	1992	1991	Percent Change
Chuquicamata	199,597	219,508	-9.2
Tocopilla	23,381	18,131	28.9
Salvador	12,514	9,812	27.5
Andina	8.557	5,051	69.4
El Teniente	61,113	40,064	52.5
Talleres	-442		
Total Codelco	304,720	292,863	4.0

* Agriculture Minister Defends Price Bands

93SM0234D Santiago EL MERCURIO in Spanish 1 Apr 93 p B2

[Text] Agriculture Minister Juan Agustin Figueroa announced the new wheat price bands that will be in force for the 1993-94 season. The bands' "floor" and "ceiling" values will be $183 and $246 per ton, slightly lower than those of the current season.

He also said that an agreement had been reached to set Cotrisa's intervention price for the beginning of the season, in December 1993, at $16.80 per standard unit, at Santiago, and at $15.36 from Chillan south, which represents an increase of 1.8 percent over prices established for the beginning of the current season, in December 1992.

The minister also announced during a press conference Cotrisa's intervention prices for corn and rice after the opening of purchasing warrants for those grains. The chief executive is expected to announce these purchasing warrants at the Talca International Fair (FITAL).

Purchasing warrants for the marketing of corn will be opened in Melipilla, San Francisco de Mostazal, Rosario, Rancagua, San Fernando, Curico, and Nancagua, and Cotrisa's intervention price will be 51.50 pesos per kilo.

In addition, purchasing warrants for the production of short grain rice will be opened in Lontue, Parral, and Linares, which will provide access to producers from the principal rice growing areas, from the VI Region South to the VII Region North. Cotrisa's intervention price will be 5,900 pesos per quintal for Lontue.

Wheat

The price band for wheat for the next season will be in force from 16 December 1993 to 15 December 1994.

To determine Cotrisa's intervention price, it was considered that domestic production during the past three years was sufficient to cover requirements for eight months, after which it was necessary to rely on stocks and then on imports, which reached 460,000 tons in 1992.

Minister Figueroa said that, for the 1993-94 season, a level of production is projected that will be sufficient to cover two-thirds of domestic demand. This, he went on, makes it necessary that the breadth and the range of the table of purchase prices conform with the estimated period of domestic supply, at the end of which time the table will reach the price band's floor.

The minister said that this decision on Cotrisa's intervention prices is expected to correct the distortion experienced this season, in which market prices paid until now are inferior to last year's prices, while supply, demand, and product quality are similar to those of last year.

The level of Cotrisa's table of purchase prices will not experience a graduated decrease from Chillan to the south, which it is hoped will reflect market trends, as demand for domestic wheat should be greater in those regions.

He emphasized that, although the floor of the wheat price band underwent a slight decline, Cotrisa's initial price, expressed in the same currency, is higher than during the 1992-93 season.

Undersecretary of Agriculture Maximiliano Cox, in his turn, said that the small decrease in the wheat price band could cause a drop in the price of flour and bread on the order of 1 percent.

"It Is Not a Subsidy"

Minister Figueroa pointed out that the opening of purchasing warrants for corn and rice is strictly a temporary measure, as longer term objectives are to encourage the substitution of unprofitable crops, expand export-oriented agriculture and agro-industry, and enable growers organizations to take over the marketing of their products.

He explained that the initiative is designed to help the growers of those crops, faced with adverse market conditions, caused by foreign market factors as well as by problems in the domestic market.

He rejected criticism charging that the opening of warrants was designed to have an electoral effect, and that it was late in being applied. He said that the rice harvesting season had begun only recently and, as for corn, the purchasing warrant also comes at an opportune time.

The minister said that the purchasing warrants do not constitute a subsidy because they do not involve payment by the state, and the initial operating costs will be recovered later by Cotrisa.

In reply to another question, he said that the previous Agricultural Commerce Enterprise (ECA) was a firm that had a wide range in which to intervene in markets and was permanent in nature. Cotrisa, on the other hand, is a branch of Corfo [Product Development Corporation], that has very limited objectives and can only act on grains, and can intervene only after a decision by a qualified quorum of its directors.

With regard to the decision to intervene now in the rice and corn markets, in circumstances that had been causing problems for some time, the minister said that there had also been interventions in the corn market in 1983 and 1986, but now "certain deformities in the market's behavior have been observed that are caused by market imperfections, and as part of the state's responsibility, what we call a subsidiary responsibility, it is very important to contribute to the regulation of the market."

Paraguay

OAS: 'Irregularities' Not To Alter Elections Outcome

PY2005154893 Asuncion ULTIMA HORA in Spanish 19 May 93 p 6

[Text] A press communique issued by the delegation of OAS electoral observers points out both positive and negative features in the Paraguayan electoral process. The communique stresses that the irregularities reported are not so general as to challenge the validity of the elections.

The communique says that in most of the districts monitored, significant participation (65 percent) and the Paraguayan public's high democratic spirit were confirmed. The communique stresses: "The OAS mission noted that important electoral code procedures and norms were respected. An atmosphere of tranquillity and security prevailed during the elections. The elections were free and secret. Indelible ink was used. And most voters did not have any problems in voting."

The communique adds that in most cases the elections were held in the duly established balloting stations, and that representatives from the main political parties and movements were present at the balloting tables. The balloting tables had the legally required documents and materials. Overseers and representatives from the various participating parties were present at the balloting tables. It was also confirmed that the vote count was conducted publicly, under the overseers' and party representatives' appropriate supervision, and that the overseers and party representatives received the respective vote count certificates." [no opening quotation marks as published] The preliminary OAS report points out: "In some electoral districts, the OAS mission confirmed isolated irregularities, such as the following: incorrect appointment of balloting table members, excluding representatives from opposition parties and movements; transferring tables to another district after the deadlines established by law; vote count problems, such as tampering with vote tally proceedings records (in Horqueta and Paso Barreto); undue withholding of electoral records; more ballots than the appropriate number in the balloting

boxes; delays in establishing some balloting tables; lack of some electoral supplies; proselytizing at the polling stations; some errors and omissions in the voters' lists; and resistance by some district electoral board authorities and ANR [National Republican Association—Colorado Party] representatives in cooperating with the OAS observers' work. Nevertheless, these isolated irregularities do not seem to represent a situation general enough to challenge the validity of the national elections, and some of them were solved during election day."

In conclusion, the OAS communique stresses that the OAS mission continues to monitor the process of supervising vote tally proceedings at the JEC [Central Electoral Board], and will also monitor the elections judgment and the ratification of elected candidates in Congress.

Caballero Blames Military Intervention For EN Defeat

PY2005170993 Asuncion NOTICIAS in Spanish 20 May 93 p 10

[Text] According to Guillermo Caballero Vargas [National Encounter Alliance, EN, presidential candidate], the intervention of some segments of the Armed Forces in the electoral campaign was the main cause of EN's defeat. Caballero Vargas downplayed the mistakes that may have been made during the electoral campaign, although he admitted "they were probably naive" to believe in the military's promise that they would not get involved in the electoral process.

In assessing the recent elections, Guillermo Caballero Vargas noted that "the massive intervention by the Armed Forces and extra- partisan elements during the last days of the electoral campaign played a decisive role in EN's defeat."

According to the EN leader, this maneuver changed the panorama, because pressure was exerted to intimidate the EN grassroots in the public administration and many people linked to the state apparatus. One of the consequences was allegedly the fact that EN was unable to have a watcher at every balloting station throughout the country, as it intended to.

Caballero Vargas admitted that EN did not have the capability to react, but added that "even if they had been prepared, they would not have been able to stand the amazing thrust of the state apparatus, which moved in a coordinated manner, sort of in the form of a military operation."

Moreover, he minimized the mistakes that may have been made during the campaign, noting that the main cause was the massive intervention of extra-partisan segments.

He also said that high-ranking Armed Forces officers had privately and publicly promised not to intervene in the electoral process. The EN leader said: "We might have been naive, and were harmed by the confidence we had in the high-ranking military officers."

Caballero Vargas later said that they had learned an important lesson for the future, and should a situation surface which was similar to the one existing a few days before the elections, EN would withdraw from the process because it believes it is "immoral" to accept actions that violate the Constitution.

Asked whether or not he considered it a mistake that the opposition had competed with the Colorado Party candidate even though his nomination during the internal Colorado Party primaries was considered illegitimate, Caballero Vargas said the "illegitimate" nomination was considered legal because otherwise it would have meant interrupting the process.

Regarding the charges that there is a certain verticalism within his party, Cabellero Vargas said that it was only logical that during an electoral process only a few people make decisions, because a permanent deliberative state would have jeopardized the political campaign. He added that one of EN's challenges will be to start providing room for the participation of a number of sectors of society, such as youth, the productive sectors, the workers, and rural sectors.

He added that he believed Maria Victoria Brusquetti's candidacy was the correct decision, and that he respected Basilio Nikiphoroff's opinion that it had been a mistake not to offer a Colorado as vice president. Caballero Vargas said he did not agree with this opinion.

He ended by stating that he hoped that, from Congress, EN would be able to create the political-juridical framework that would allow the strengthening of democracy in our country.

Police Break Up Demonstration at Electoral Board Building

PY2005172893 Asuncion ABC COLOR in Spanish 20 May 93 p 10

[Text] The Authentic Radical Liberal Party [PLRA] and National Encounter [EN] youth movements were not able to stage their sit-in in front of the JEC [Central Electoral Board] building. Instead they staged their demonstration on the corner of 25 May Street and Kubitschek Avenue [the corner where the JEC building is located] but they were violently cleared away by police "blue helmets" [anti-riot squad], who greatly outnumbered the demonstrators. It was reported that Judge Nelson Mora had forbidden the demonstration in front of the Electoral Board building.

Youngsters from both political parties began gathering in front of the JEC at approximately 1700 to denounce "the irregularities perpetrated before, during, and after the 9 May elections." The situation forced the intervention of Judge Nelson Mora and Electoral Prosecutor Miguel Angel Aranda who spoke with the demonstrators, urging

them to withdraw from the area. The demonstrators then moved to the corner of 25 May Street and Kubitschek Avenue, from where they waved placards and chanted slogans against the police and against ANR [National Republican Association—Colorado Party] presidential candidate Juan Carlos Wasmosy.

Efrain Alegre, president of JLRA [Authentic Radical Liberal Youth], said the excessive number of policemen in the area was "ridiculous." Alegre also harshly criticized the prohibition against demonstrating that was issued by Judge Nelson Alcides Mora.

"Many irregularities have been recorded and votes taken away from the PLRA and the EN. This is why we are demonstrating. Our demonstration was peaceful, and the police, as in the worst periods of the dictatorship, have repressed us," the youth leader protested.

In turn, National Encounter youth representative Alejandro Guanes questioned Judge Nelson Mora's argument in forbidding the demonstration. "The Constitution clearly establishes that all citizens have the right to move within the country freely, and demonstrate and meet peacefully," Guanes said.

"The prohibition openly violates constitutional tenets. We were surprised at the number of police present; this only instills fear in people and provokes citizens who wish to gather and demonstrate peacefully," Guanes said.

Both youth leaders said the demonstrators were few only because the police had cordoned off the area in front of the JEC from the early afternoon hours, preventing people from gathering in front of the building.

At one point demonstrators sat in Kubitschek Avenue, closing it to traffic, but the "blue helmets" reacted and following the already famous "order from above" resorted to force in dislodging the demonstrators.

In the end—and thanks to the mediation of PLRA President Juan Manuel Benitez Florentin—the police moved to the side, permitting the youngsters to withdraw peacefully. No further incidents were registered.

Central Bank Denies 'Advanced Disbursement' to Government

PY2005185593 Asuncion ABC COLOR in Spanish 20 May 93 p 18

[Excerpt] Paraguayan Central Bank (BCP) President Jose Enrique Paez has refused to comply with an executive branch decree for the disbursement of 125 billion guaranies, intended to pay the overdue foreign debt and for materials and supplies for central government institutions.

Paez sent two notes to Finance Minister Juan Jose Diaz Perez in which he argued that the BCP charter does not allow him to make disbursements of money without the endorsement of the Treasury General Directorate.

Both Finance Ministry specialists and the Treasury's Legal Office have, however, rejected the BCP's argument, stating that this endorsement is not necessary in making short-term "advanced" credits such as those requested by the executive branch.

The BCP's refusal to make the disbursement is based on the repeated used of monetary reserves deposited in the official bank, a good portion of which has not been reimbursed, according to BCP specialists.

The request by the executive branch for an "advanced" disbursement of 125 billion guaranies was due to a deficit in tax revenues recorded by the Finance Ministry during the first four months of the current fiscal year.

The open dispute between the Finance Ministry and the BCP, which leads us to predict future confrontations over the project to amend the BCP charter, began with Decree No. 16581 of 26 February 1993 authorizing the "advanced" disbursement of 125 billion guaranies. [passage omitted]

Peru

Defense Ministry Extends State of Emergency in Provinces

PA2005185593 Lima Radio Programas del Peru Network in Spanish 1814 GMT 20 May 93

[Text] The Defense Ministry has extended for 60 days the state of emergency in some provinces of the Departments of Ucayali, Loreto, and Huanuco. The provinces in which the state of emergency was extended are Coronel Portillo and Padre Abad in Ucayali, Ucayali [as heard] in Loreto, and Puerto Inca in Huanuco.

Army Reports 3 Soldiers, 30 Guerrillas Killed in Clash

PA2105044193 Paris AFP in Spanish 0150 GMT 21 May 93

[Text] Tarapoto, Peru, 20 May (AFP)—General Nicolas de Bari Hermoza, Commander of the Armed Forces Joint Command, reported on 20 May that three soldiers and 30 guerrillas were killed in an armed clash between one military patrol and a Shining Path column in the Peruvian Amazon area.

Combat began at 0800 [1300 GMT] on 19 May and lasted several hours in a remote area of the Amazon Jungle.

The action took place at San Andres, in Alto Huallaga, some 700 km northeast of Lima, the most violent area of the country where cocaine traffickers pay Shining Path for armed protection ($100 million a year).

"We have seized weapons, explosives, and terrorist propaganda," said Gen. Hermoza, who had attended earlier a ceremony in Tarapoto where two Tupac Amaru leaders

surrendered. During the ceremony, Hermoza announced that the subversive groups will be defeated shortly in Peru.

Uruguay

Government Suffers Major Congressional 'Defeat'

PY2005150993 Montevideo Radio El Espectador Network in Spanish 0930 GMT 20 May 93

[Text] Vice President Gonzalo Aguirre and the Herreraist faction yesterday had their most serious public confrontation since the beginning of this government term. Aguirre, the leader of the Renewal and Victory Movement [MRV], criticized Finance Minister Ignacio de Posadas for his arguments in rejecting the resolution ordering the reopening of the General Finance Inspectorate.

The statements by Aguirre caused deep displeasure among Herreraist faction members, as expressed in answering remarks by Luis Alberto Heber, president of the Chamber of Deputies, and Deputy Jaime Trobo.

The government yesterday suffered its greatest congressional defeat since it began its term in office. More than 90 congressmen decided to reject the executive branch's observations supporting the veto of the resolution reopening the General Finance Inspectorate.

The Herreraist bloc was supported only by Colorado and Batlleist Union Senator Juan Carlos Blanco and by Blanco Party Deputy Antonio Morell, who recently broke with the MRV. Out of 130 congressmen, 122 cast their votes, with 92 voting to reject the observations while 30 supported the government's position.

In justifying his vote, Aguirre said that whether or not Minister De Posadas liked it, the General Finance Inspectorate should remain open. He said that De Posadas wants to close the inspectorate out of stubbornness, and that the minister cannot work against the law.

The vice president's speech was welcomed with expressions of "very good, very good" by the Broad Front and Colorado Party blocs. The critical remarks by Aguirre surprised Minister De Posadas and some Herreraist legislators, who began to look at each other askance, making gestures and trying to defend their positions.

Deputy Heber said that for the Herreraist sector, Aguirre's opinions on the finance minister's attitude are unacceptable. Heber said: So far we have repeatedly seen the vice president adopting attitudes that are based on suppositions, and as long as the attitude of which he accuses De Posadas remains unconfirmed, no criticism of the minister can be accepted.

Communique Denies Replacement of Finance Minister

PY2005160593 Montevideo Radio El Espectador Network in Spanish 0930 GMT 20 May 93

[Text] Yesterday morning the presidency issued a concise communique reiterating its confidence in Finance Minister Ignacio de Posadas. The communique did not, however, mention President Luis Alberto Lacalle's having offered the post of finance minister to Engineer Alejandro Vegh Villegas.

The communique states that in light of the rumors, the presidency's Secretariat of Press and Dissemination advises that it is inaccurate to believe that Finance Minister Dr. Ignacio de Posadas will be replaced. The communique says that Dr. De Posadas enjoys the president's full confidence.

'Difficulties' in Argentine Relations 'Causing Concern'

PY2005182893 Montevideo Radio El Espectador Network in Spanish 0000 GMT 20 May 93

[Text] Current difficulties in relations with Argentina are causing concern. The two main controversial points are the dredging of the Mitre Canal, and the Menem administration's disregard for the terms of River Plate Treaty.

So far nothing has been achieved in this field, which endangers fundamental Uruguayan sovereign rights and could have economic consequences [words indistinct] the Argentine attitude inspired by President Carlos Menem, who paid $400 million to private companies to dredge and exploit the Mitre Canal. This might result in losses for Uruguay, as Uruguayan boats will have to pay tolls in River Plate waters. In accordance with the terms of the treaty currently in force, the River Plate waters belong equally to Uruguay and Argentina. A result could also be that activities at the ports of Montevideo and Nueva Palmira would be extremely reduced, and the regional waterway project not implemented.

A third controversial issue, which is still under discussion, is an Argentine television channel's possible interference with Montevideo Channel 4 transmissions. Foreign Minister Sergio Abreu has been summoned by a congressional committee to report on these issues next week.

Navy Seizes Two Brazilian Fishing Ships

PY2105033893 Madrid EFE in Spanish 1918 GMT 20 May 93

[Text] Montevideo, 20 May (EFE)—Two Brazilian fishing ships that were operating without authorization in Uruguayan jurisdictional waters in the Atlantic Ocean were detained by an Uruguayan Navy patrol that confiscated their fishing instruments and placed them at the court's disposal.

The fishing ships, Nossa Senhora das Angustia and Cabo Verde, were located at latitude 35 degrees 12 minutes south and longitude 52 degrees 19 minutes west about 30 miles within the limit of the Uruguayan jurisdictional waters with their fishing nets in the water, Navy spokesmen said.

The ships were spotted by a reconnaissance airplane and the seizure was made by the frigate ROU Artigas, which had to pursue the offending ships and shoot in the air to prevent them from escaping.

The Navy patrol recovered the fishing nets abandoned during the escape attempt, and escorted the two fishing ships to the port of La Paloma, 200 km east of Montevideo, where justice intervened in the case.

In the past few months the Uruguayan Navy has intensified its patrols in defense of national maritime resources.

As part of this effort, the Navy captured several fishing ships operating without authorization and the ship owners were sanctioned with heavy fines.

The fishing nets usually are confiscated while the fish produce is donated to hospitals, schools, and soup kitchens.

Venezuela

Supreme Court Approves Pretrial Motion Against Perez

Magistrates Reportedly Favor Trial

PA2005191693 Caracas Radio Caracas Radio Network in Spanish 1839 GMT 20 May 93

[Text] [Announcer Julio Cesar Camacho] We have a report by Erica Corrales from the Supreme Court of Justice. Go ahead:

[Corrales] Good afternoon, Julio Cesar Camacho and all listeners of "RCR Report." We have just been informed that at this moment the plenary meeting of the Supreme Court of Justice ended. Magistrates reportedly decided.... [pauses] Am I allowed to disclose unofficial figures, Julio?

[Camacho] Say whatever you received from reliable sources, but if you think that they should not go on the air, I would prefer to hold them.

[Corrales] It has been learned unofficially that the magistrates voted in favor of the motion by Magistrate Gonzalo Rodriguez Corro. The vote would be: 11 votes in favor and four abstentions. The four abstentions came from the four magistrates who have identified themselves with Democratic Action, namely Alfredo Ducharne, Cecilia Sosa, Luis Enrique Faria Mata, and Hector Grisanti Luciani. This is an unofficial report.

At this time, all journalists are walking to the room where the ruling will be officially announced. Our crew is in there and we hope that when Magistrate Luis Enrique Faria Mata, who will make the announcement, comes down, we will reestablish contact.

[Camacho] We will be awaiting your report.

Foreign, Interior Ministers Recognize Decision

PA2005192593 Caracas Radio Caracas Radio Network in Spanish 1858 GMT 20 May 93

[Report by Liliana Castano from Miraflores Palace]

[Text] Here in Miraflores, both the foreign minister and the interior minister have recognized that the Supreme Court decided in favor of a pretrial against the president of the Republic. Although they refused to give the official version, they only stated that the country already knows the court's decision. They want to wait until the head of state himself discloses the government's position on this issue.

Court President Issues Statement

PA2005205493 Caracas Radio and Television Networks in Spanish 1959 GMT 20 May 93

[Statement by Gonzalez Rodriguez Corro, president of the Supreme Court of Justice, on the court's ruling to proceed with pretrial proceedings against President Perez, from the Supreme Court building in Caracas—live]

[Text] The court plenum gathered to announce the closing of the 20 May session and to inform the local and foreign media about the result of its decision. In this respect, we are fulfilling our duty of informing the country that the Supreme Court of Justice of the Republic of Venezuela, during a full session summoned for 20 May 1993, has approved the pretrial motion against President Carlos Andres Peres and former ministers Senator Alejandro Izaguirre and Deputy Reynaldo Figueredo Planchard.

The decision is a result of the charge filed by Prosecutor General Ramon Escovar Salom on 11 May 1993. The decision was made by a nine-vote majority, namely Justices Gonzalo Rodriguez Corro, Alirio Abreu Burelli, Josefina Calcano de Temeltas, Carmen Romero, Jose Juvenal Salcedo Cardenas, Ismael Rodriguez Salazar, Hildegar Rondon de Sanso, Rafael Alfonso Guzman, and Roberto Yepes Buscan. The following justices cast dissenting votes: Luis Farias Mata, Cecilia Sosa Gomez, Alfredo Ducharne Alonso, Carlos Trejo Padilla, Anibal Rueda, and Hector Grisanti.

The court declared itself in permanent session until all the dissenting votes were recorded, and they are now made public with the ruling. The chief justice is inviting the news media to a news conference to be held Friday, 21 May, at 1100 to provide additional information and respond to questions domestic and foreign reporters may want to pose. Good afternoon.

Perez Says No Crime Committed

PA2105015093 Caracas Radio and Television Networks in Spanish 0010 GMT 21 May 93

[Address to the nation by President Carlos Andres Perez at Miraflores Palace in Caracas— live]

[Text] Venezuelans: I am addressing my fellow countrymen during one of the most critical moments in the history of my country and during one of the most difficult moments in my career as a public statesman. I must admit that in spite of all my experience and knowledge of the dramatic political history of Venezuela, I never thought that personal or political passions could overflow in such a manner. I thought Venezuela could now look back without fearing the never ending madness of violence that is so common in our history.

Our idiosyncrasy has not changed much. Our cruel manner of fighting without quarter has revived, with an undeniable strength, an inquisitorial and destructive spirit that knows no barriers to annihilation, either moral or political. With great sorrow, I admit this is a fact, not only because I am the target of the greatest ill-will against whom war has been declared and whom some want to take to the gallows but because this is a symptom and a sign of something that is extremely grave, of something that will not disappear from the political scene after a propitiatory victim is claimed. This situation will continue to affect dramatically the country within the next few years.

I represent a long political history, a history that begins at the death of Juan Vicente Gomez and of the first governments that followed the dictatorship that delayed our participation for so many years in the 20th Century. [Perez whispers: Someone please place a light back here.]

I was one of the youths who in 1945 boldly decided to transform the country. Once Romulo Gallegos was ousted, we assumed all risks so we could recover for Venezuela its freedom and dignity of free people. I was one of those who beginning in 1958 fought with great courage for democracy and against the subversion that in those harsh years jeopardized our democratic institutions. Many defeated enemies were left behind, but they were never humiliated, because on the contrary, we extended our sincere hand, every time it was necessary.

I do not accumulate resentfulness; so I was wrong to think that we were all the same or that political differences and feuds could not turn into duels to the death. I believed Venezuelan politics had become civilized and that resentfulness and personal hatred would no longer determine its course. I was wrong. We are now proving it.

I ask my countrymen to understand these reflections, not as the nostalgic or hurt expressions of one who feels defeated or distraught. I am neither defeated or distraught. My words are a call for all my countrymen to reflect upon the difficult times that await us and a summons for the political leaders and the directors of the media to meditate and to conform your conduct to the seriousness of the moments we are living. I hope this crisis serves as a lesson for all. I hope it sparks a nationwide rectification of the behavior that leads us into unpredictable situations with dramatic consequences to the country's economy and to the very existence of democracy, which has caused our people to make great sacrifices.

As president of the Republic, before and now, I have been sensible in my actions, in an attempt for conciliation. I have persecuted no one. I have harassed no one. There has never been such a systematic campaign unleashed against anyone, for so long and so obsessively, than the campaign launched against me and my administration. I have suffered it under the conviction that it is always preferable to suffer the abuse of the opposition than the abuse of the government.

The adversaries who fell along the way and the heated political feuds of the past, which died gradually, have all risen again with old grudges that seemed to have been forgotten. This is how the coalition that has the country in anguish was formed and has grouped in this overwhelming ploy. Never was a coalition so different. When they appear in a group, it is clear to see the precise images of the various phases of the political struggles of the past 50 years, in the faces of the frustrated and defeated figures that return now as ghosts or spirits, preaching magical promises of resurrection. It is like a rebellion of the shipwrecked politicians of the last five decades and the remainder of the subversion of the 1960's, now with new recruits. The defeated perpetrators of the coup attempts of 4 February and 27 November 1992 have now joined the mismatched legion of the new cause. All the tones and all the ambitions and all the frustrations suddenly fall together. I cannot bear to imagine the Venezuela of February 1994, when the prophets of such false promises will have to face the country's reality, amid a foreseeable struggle, as each one claims his share of the power.

I feel proud of what we have been able to do, supported by my collaborators throughout my administration, to give a modern and definite course to the Venezuelan state. I feel proud of the dignified and proud behavior of the National Armed Forces. At the same time, I feel anguished and sorry for the crisis that has unavoidably accompanied the process of reforms we started because the government I preside over has made a decisive contribution to our modern history.

It is a simple history that begins in 1989 when we had to begin all of these deep political and economic reforms. I did my very best in the political reforms, and we thus began by turning the Presidency of the Republic from an absolute power into a moderate power. Four political parties share or have shared power throughout this presidential term. Two elections for governors and mayors have taken place in four years.

I claim a special role in this reform process that sought to achieve the democratization of power and an undeniable national participation. Along with the political reforms, we launched the economic reforms. It was no longer possible to have statism, because the macrostate had reached its end. Social harmony, which was unlimitedly financed by petroleum, also reached its end. It was a decision that required courage and determination. It was not easy because it entailed a change in a history of an oil-producing country, which had 50 years of adjustments.

I assumed the unpopularity of this task. I had an alternative that was perhaps different: I could persist until the end and involve the resources of the state, thus endangering the false social harmony. The results, however, would have been catastrophic. Through these economic and commercial reforms, we have placed Venezuela in line with what is happening in the world and in our own Latin American region.

Much to the surprise of analysts, our economy grew considerably even in the midst of adverse times, such as in 1992 when there were relentless attacks against the democratic institutions and the stability of the government, and of course, against the president of the Republic.

The Andean Pact was made possible thanks to these decisions that moved our economy onto a modern path. The country will have to learn fully what is behind this despicable campaign of lies, slanders, and distortions of the truth and see the profile of the process we have lived in during these years. An underground civilian conspiracy surfaced in 1992, and it shrewdly took advantage of the commotion produced by the felony of the coupist soldiers.

Now, it is the same conspiracy that uses other methods because all of the others have been worn out, from the machine gun and the implacable bombs, to moral death.

I have no qualms in confessing that, if I did not have such conviction on the clarity of my conduct, which will never stain my history, and was not so sure of the final verdict from justice, I would have preferred another death.

No conspiracy, no confabulation—no matter how varied and powerful it may be—no plot will tear me away from the hearts of the Venezuelan people. I have lived and I have struggled bravely for Venezuela. I shall continue to struggle for Venezuela. No one will take me away from this Venezuelan land. Sooner or later they will understand that I have acted with the most complete and full awareness that I opted for the most advisable path.

The future will tell—and it will tell very soon—whether I have acted correctly, whether we have correctly interpreted the country's moments and circumstances. I have never boasted about being an unerring man or politician, and I may have made uncountable mistakes—in good faith, of course—but in the balance of a long and passionate political life, I am confident that my contribution will be recognized with impartiality and justice.

I repeat what I said on 19 May in my brief address: The country watched in amazement how the most undisguised pressures were exerted on the magistrates of the Supreme Court.

These are, my fellow countrymen, demonstrations of an attitude that has lost even the most subtle form of decency to take the path of exerting pressure without considering the institutional consequences of such attitudes.

They do not forgive my having been president twice through the people's acclaim. They do not forgive my being a substantial part of the Venezuelan history of this half century. They do not forgive my having faced all the avatars and coming out victorious.

They do not forgive my mistakes or my achievements. I am here, however, willing and able to continue struggling in Venezuela, for Venezuela, and with dedication to Venezuela. Blessed with passion, today as yesterday, I am at the service of Venezuelans, all of them, those who support me, those who oppose me, and those who have doubts about me.

On 20 May, the magistrates of the Supreme Court of Justice found grounds for trying the president of the Republic and former ministers Alejandro Izaguirre and Reynaldo Figueredo.

On 9 March, in a message to the nation I explained in detail the way and reasons why there was a 250-million bolivar budget adjustment charged to the state intelligence and security services. It was a precise and clear explanation. I do not have anything to rectify or add to what I said then. Again I want it recorded that no crime was committed and that no proof can ever be presented to doubt the conduct of the interior affairs minister, who was in charge of that fund, or of the minister of the presidency secretariat, who had no participation in its management.

Today, I address all of my fellow countrymen and all of the foreigners who have made Venezuela their fatherland. A person like myself, who has devoted his entire life to the achievement, defense, and consolidation of democracy, does not have to reaffirm that I heed this decision of the Supreme Court of Justice. I do not judge it. It will be history, implacable in its verdicts, which will do so in the future. I heed the decision because I assume the responsibility as president, leader, and Venezuelan the same way that will have to be done by those who have led the country to this dramatic crossroads in its history.

What hurts most is that this decision by the court comes at a time when the country was moving positively and directly toward its political and economic recovery. In the political aspect, Venezuelans have chosen their presidential candidates to carry out the democratic renewal of the leadership of the state. There was an air of

satisfaction over the full normalization of the institutional life up to that time. In the economic aspect, the substantial advances in the process to recover productivity began to be clearly confirmed after the immense sacrifices we have all made to modernize the national economy.

We were living a period of real peace that showed the easing of tensions experienced last year. The decision of the Supreme Court of Justice radically changes this picture.

I reaffirm to all my compatriots that I have not been involved in illegal, improper, or irregular dealings in this or any other case. I have never enriched myself. My ambition has always been to continue with my effort to outline a modern and promising path for Venezuela.

Many things have been and are said about me. Anything can be said about me in the political arena. That is usual in an active and strong democracy. Nevertheless, it can never, never [repeats himself] be said that I have personally taken advantage of the positions I have held as a result of the people's will. No one can accuse me of having promoted, encouraged, or provoked the perpetration of illegal actions. In this and all cases, the money from the secret fund, for which the Supreme Court of Justice has decided to try the president of the Republic, has been used in accordance with what the law establishes. We will now face the trial. I will not ask the messrs. senators to annul the Supreme Court decision.

Instead, I ask them to reflect on the unusual and ignoble crisis that now begins for the country as a result of the decision adopted by a court that does not show respect—but which we must respect and obey—and created the unusual precedent of acting as a political organization that neglects its noble and lofty duty of ensuring that justice prevails.

I will begin a new phase of my political life, which has never given way to my exhausting work. I will announce that, aside from fully assuming my responsibilities in the trial that is about to begin, I will strive to recover the people's trust. I will not defend myself because I have nothing from which to defend myself. I will not attack because I have never degraded my political disputes with insults or slander. As established by the national Constitution, I will proceed to turn over my post to the Congress president so that Congress may proceed to appoint, as soon as possible, the person who will assume the Presidency until a decision is adopted regarding a trial against the president of the Republic.

I urge political, economic, institutional, social groups, the media, and all Venezuelans to join forces and support the acting president appointed by Congress, so we may overcome the ominous situation we will experience.

Venezuelan women and men, the zeal, interest, and tireless work that has characterized me, and the courage I have shown in every difficult situation, have always been at the service of Venezuela, throughout my life. Ever since I was a young man I dedicated my existence to the lofty interests of our people. I have dedicated my destiny to you, Venezuelans.

God grant us that those who created this absurd conflict may never have reason to repent. From my post of president, separated of my functions, I will return to the daily struggle. I will again travel throughout Venezuela, and I will join efforts with my fellow Democratic Action party members so democracy may recover from this shameful loss. All Venezuelans may count on me. I will not shirk my responsibilities. I will admit my errors and omissions.

I ask the forgiveness of my fellow countrymen for all the errors attributed to me, but I will not be frightened by difficult situations. On 2 February 1994, I will turn over the presidential sash to my successor. I will struggle to the death to see that democracy does not succumb in this new critical moment and during the hazardous situations that we will experience. Good evening. [applause]

Government Denies Perez Planning To Leave Country

PA2005232493 Madrid EFE in Spanish 2106 GMT 20 May 93

[Text] The Venezuelan Government denied on 20 May President Carlos Andres Perez has plans to leave the country, much less to set up residence in Rio de Janeiro. Government spokesman Angel Zambrano denied the report issued by Brazilian journalist Zozimo Barrozo Do Amaral, who asserted in his JORNAL DO BRAZIL column on 20 May the president would set up residence in Rio de Janeiro.

Zambrano said Carlos Andres Perez is firmly determined to stay in Venezuela and face trial for alleged corruption that the Supreme Court of Justice [CSJ] will hold against him, if the Senate ratifies the CSJ's decision to try him. Moreover, according to the Venezuelan Constitution, President Perez, who would be separated from his post after the senate gives its approval to hold the trial, cannot leave the country within the next six months without an explicit authorization from the Legislative Branch.

Acting President Reportedly To Be Sworn In 21 May

PA2105033593 Caracas Venezolana de Television Network in Spanish 0042 GMT 21 May 93

[Text] Luis Enrique Oberto, president of the Chamber of Deputies, has said that the acting president of the Republic will be sworn in on 21 May. Regarding the person to occupy the Presidency upon the conclusion of the 30-day period set forth by the Constitution, Oberto said that it must be a Venezuelan who holds the trust of all country's sectors.

[Begin Oberto recording] In a joint session, we will proceed to swear in the president of the Congress as the

acting president of the Republic. As of that date, the vice president of the Congress will act as president of the Congress, until the conclusion of the 30-day period set forth by the Constitution, which is when the joint congressional session will select the Venezuelan who will continue as president for the rest of this constitutional term. [end recording]

Lepage on Appointing Acting President

PA2005235993 Caracas Radio Caracas Radio Network in Spanish 2100 GMT 20 May 93

[Interview with Congress President Octavio Lepage by Tamara Slusnys in Caracas—live]

[Text] [Slusnys] We are here with Congress President Octavio Lepage, who might be sworn in as acting president of the Republic on 21 May. We will let him explain what steps will be taken on 21 May at the Senate, after it is confirmed [passage indistinct] trial against the president.

[Lepage] Well, before the Senate acts it must wait for an official notification from the Supreme Court of Justice [CSJ] of its decision in this case. I talked with CSJ President Jose Rodriguez Corro and he explained it is necessary to make copies of the ruling, which is approximately 300 pages, copies of the votes against the motion, and copies of the 15 CSJ magistrates' signatures. He believes the official notification and (?annexes) should be at the Congress no later than 0900 on 21 May. Therefore, we [passage indistinct] at 1000.

[Slusnys] President, in case the Senate decision advocates a trial against President Perez, what steps must be taken to appoint the new cabinet—once it is known that President Perez' cabinet resigned en masse?

[Lepage] First of all, [passage indistinct] when the information reaches the Congress presidency [passage indistinct].

Senate To Discuss Report 21 May

PA2005220493 Caracas Radio Caracas Television Network in Spanish 2020 GMT 20 May 93

[Report by Emira Sanabria from the National Congress in Caracas—live]

[Text] [Sanabria] Good afternoon. We are at the National Congress where Senate President Octavio Lepage has just announced that the Senate will meet at 1000 on 21 May to discuss this report by Magistrate Rodriguez Corro that has been approved. Senator Lepage also reported that Magistrate Rodriguez Corro promised to have sent by 0900 at the very latest the report to the Congress so that Congress can examine it and be able to determine if the trial of the president of the Republic is authorized or not.

On the other hand, we consulted Senator Lepage on what will be the stand of Democratic Action [AD] in the Senate session, and he told us the stand will be defined in a special session of the National Executive Council [CEN], which is being summoned for 1800 on 20 May.

We have Deputy Reinaldo Cervini here, and we are going to consult him on his stand with regard to this decision by the country and with regard to the atmosphere prevailing in the country following the ruling. There are demonstrations taking place; for example there is this one in front of the National Congress.

[Cervini] This a historic decision. The Supreme Court of Justice has set a precedent in the country. I urge the Venezuelan people to remain calm so that together we can reconstruct our country, which has been wiped out by a government that turned its back on the social situation of the country and practically turned us into a colony. I think the time is here to look ahead toward a new Venezuela in a calm and civic manner, bearing in mind the people's will and the court's ruling. Let us hope this will work out for the sake of the country.

[Sanabria] We thank Deputy Reinaldo Cervini for his statements. We will remain here at the National Congress reporting on the reaction to the Supreme Court ruling that is prevailing here at the Parliament. We now go back to our studios.

[Unidentified station reporter] Emira, wait. Inasmuch as you are there, where you can clearly see the reaction of the congressmen—particularly the senators—we would like to know if any previous agreements have been reached with regard to the Senate approving the impeachment of the president? We heard that as of 1000 on 21 May, the Congress will discuss the preliminary hearing of the president of the Republic.

[Sanabria] So far, both the Social Christian Party [COPEI] as well as the Movement Toward Socialism [MAS], which are very representative forces in the Senate, have announced they are planning to vote in favor of the impeachment of President Carlos Andres Perez. Another very important vote is the vote of Senator Jose (Marsicovetre) and just a few minutes ago we consulted him and he said that on 21 May he will also vote in favor of the impeachment of the president. Therefore, the only thing pending is the AD stand, and as I said earlier, Senate President Octavio Lepage announced the ruling party's stand will be determined at a special CEN session at 1800 on 20 May. At any rate, we think that with the votes from COPEI, MAS, and Independent Senator Jose (Marsicovetre) there can be a sufficient correlation of forces that is enough for approving the impeachment of the president.

[Reporter] In other words, it will not take a long time to announce the decision so that the country will not remain in tension for a long time.

[Sanabria] According to what Senator Lepage told us, I think that will not take a long time. We trust this will not be the case. Magistrate Rodriguez Corro promised that by 0900 on 21 May the report will be delivered here, at

the Congress. The senators will meet at 1000 to make a decision and the uncertainty over this situation will come to an end.

Senator Lepage also said that he would take over as acting president of the Republic, as it corresponds to his post. That is all for now.

Prosecutor General: Decision 'A Big Step'

PA2105013093 Caracas Radio Caracas Radio Network in Spanish 2106 GMT 20 May 93

[Interview with Prosecutor General Ramon Escovar Salom by Carla Espector at the Prosecutor General's Office and Julio Cesar Camacho at the Radio Caracas Radio studios in Caracas—live]

[Text] [Espector] We thank the prosecutor general, who is in a hurry because he has many commitments. Nevertheless, he agreed to talk with us. First of all, we would like to ask this question: What does the decision by the Supreme Court of Justice [CSJ] represent for Venezuela, particularly due to the speculation that prevailed before the CSJ's decision was known?

[Escovar] Good afternoon.

[Camacho] Good afternoon, Dr. Escovar Salom.

[Escovar] Pleased to greet you. The decision proves, among other things, that most of the speculation was false. It was said the document presented insufficient grounds, but it did, and a lot, because that many people cannot be wrong about the document I submitted or so many opinions would not coincide on this issue. It represents the president's opinion against the opinion of many people in the country, not only the CSJ but public opinion in general.

Moreover, I believe it represents great progress for Venezuela. The decision adopted on 20 May by the CSJ represents a big step for our country, because presidential authority cannot be unlimited. The progress of democracy depends on a balance between branches. The Executive Branch has purviews; the Legislative Branch has its purviews; and the Judicial Branch has other purviews. That is why I—as prosecutor general of the Republic, as an autonomous and independent official—adopted the initiative, for the first time in Venezuela's history, to file charges against the president of the Republic.

What I now expect is a trial according to the Constitution, and the Executive Branch and the president of the Republic should not yield to the temptation of hindering legal and constitutional procedures. Referring to this issue, I oppose the idea of leaving a minister in charge of the Presidency because the president has no constitutional authority to do this. According to the Constitution, the Senate president should be appointed acting president in this case, but the Senate must first decide if it authorizes the trial to continue.

I have been respectful toward the CSJ and I will also be respectful toward the Senate. That is why I remained silent for eight weeks, so no one could say the prosecutor general tried to exert pressure on the CSJ. No one has seen me exerting pressure on the CSJ, but that has not been the president's attitude. His various statements on television, as all the country was able to witness, have exerted all kinds of pressure on the public—giving the idea it was either him or chaos. There has been no chaos on 20 May. The Venezuelan people have adopted a civic behavior and no authority should provoke the public so everything may be carried out according to the Constitution.

I must also state I wish to issue an appeal to the Venezuelan people, urging them to remain calm and maintain order. Referring to this, I must state that the behavior of the military authorities has been impeccable, even as we speak. I have no complaints about any of the military authorities handling public order procedures. I hope they continue because one thing is insurrection and street violence and another thing is the joy and happiness the people want to express.

I ask the Venezuelan people to control their happiness with caution but to express the feelings they want in one sense or another. The government must respect that free expression of the Venezuelan people's feelings. That is all I have to state for now.

[Camacho] Thank you, Dr. Escovar Salom.

[Escovar] I would like to add something.

[Camacho] Yes, of course.

[Escovar] I want to add that many radio stations, television stations, and newspapers in Europe, the United States, and Latin America have called me this afternoon to ask my opinion about what has just happened in Venezuela. The international community has been and is closely following events here. I thank you for your kindness, and I send my greetings to all the Radio Caracas Radio listeners.

[Camacho] Thank you, Dr. Ramon Escovar Salom.

Ex-Interior Minister To Submit to Trial

PA2105041393 Caracas Venezolana de Television Network in Spanish 0042 GMT 21 May 93

[Report by Jose Marcano in Caracas]

[Text] On 20 May, former Interior Minister Reynaldo Figueredo attended a meeting by the Democratic Action National Executive Committee. Figueredo said he will submit to a trial and defend himself.

[Begin Figueredo recording] Of course, I respect the decision adopted by a relatively small majority. I want to see who voted against the motion. That is what most interests me. As far as I am concerned, I saw the report [submitted by Prosecutor General Ramon Escovar Salom] and I am mentioned in an incidental way. I saw

that this was based on a report submitted by a citizen. It is totally groundless. Likewise, I saw that a series of incidents occurred at the Central Bank in 1989. They will have to be explained during the trial. [end recording]

In any case, the Senate of the Republic will continue its actions on this case at 0900 on 21 May.

AD Secretary General, Candidate Comment

PA2105040193 Caracas Venezolana de Television Network in Spanish 0042 GMT 21 May 93

[Report by Jose Marcano in Caracas]

[Text] Shortly before the Supreme Court of Justice [CSJ] ruling about a pretrial against President Carlos Andres Perez was known, the Democratic Action [AD] National Executive Committee held a meeting and agreed to maintain the position it had previously announced, meaning to respect the CSJ ruling and vote favorably at the Senate for the continuation of the process.

[Begin recording] [AD Secretary General Luis Alfaro Lucero] We will fully abide by the CSJ ruling and, logically, the party's president will reassert that position during the Senate meeting called for 21 May.

[Marcano] What will be the party's position at the Senate?

[Alfaro] First of all, we will reassert what we stated in a communique. We will vote in favor of the CSJ decision to withdraw the president's immunity so the trial may continue.

[Marcano] Could the CSJ's and AD's 19 May decision negatively affect your candidacy?

[AD presidential candidate Claudio Fermin] The first thing I want to tell the country is that Venezuela's first priority is peace, the stability of our institutions, and the normal development of our democratic system. I want to urge the Venezuelan people to remain calm. The political conflict we face is in good hands, meaning the Congress of the Republic, the senators, and the deputies. Also, I am sure we will prove to ourselves and the world that we can settle our political differences without conflicts. Venezuela will rise above this situation. There is no other priority at this moment, for me or AD, except the stability of Venezuelan institutions and the country's peace. [end recording]

Copei Leaders Remark on Decision

PA2105042793 Caracas Venezolana de Television Network in Spanish 0042 GMT 21 May 93

[Report by Melisa Soto]

[Text] The Social Christian Party, Copei, stated its position regarding the Supreme Court of Justice's decision, commenting that credibility in our country's democratic institutions has been strengthened.

A special Copei National Executive Council meeting was held after the magistrates of the Supreme Court of Justice announced its decision declaring there are grounds to bring President Carlos Andres Perez to trial. Copei leaders expressed their opinion:

[Begin recording] [Former President Luis Herrera Campins] This is a sad episode. At the same time, however, it will test the strength and firmness of our democratic process, because it is now that constitutional mechanisms established for these circumstances will be implemented.

[Copei presidential candidate Oswaldo Alvarez Paz] We are beginning a process not only to purge, which I do not believe is the best expression, but to restore the entire Venezuelan democratic structures to have an ethical and material renovation. It seems that the gates of something that was repressed for a long time are finally opening to allow the flow of our countries' great reserves.

[Copei member Humberto Calderon Berti] The court's decision reaffirms Venezuela's democratic institutionalization. Our people understand we must all respect that decision. I believe the democratic system has been strengthened. We have given a great demonstration of civic-mindedness and great political awareness.

[Copei member Pedro Pablo Aguilar] Venezuela, the Republic, the people, Venezuelan society, and Venezuelan institutions have shown we are a mature democracy; we have shown that we can handle a crisis within a peaceful context and without violence by resorting to the laws and demanding action from legal and political institutions. [end recording]

Presidential Candidate Alvarez Comments

PA2105033493 Caracas Radio Caracas Radio Network in Spanish 2115 GMT 20 May 93

[Interview with Oswaldo Alvarez Paz, governor of Zulia State and presidential candidate for the Social Christian Party, by William Ojeda and Julio Cesar Camacho, in Caracas—live]

[Text] [Ojeda] Mr. Governor: Could you give us your opinion regarding the Supreme Court ruling on 20 May?

[Alvarez Paz] We expected this ruling. There were no surprises, even though the ruling has a historical importance that will be analyzed and observed by all fellow countrymen. We might be beginning a new and very important stage in the democratic development process of Venezuelan society. We must take advantage of this opportunity so that the changes and the ethical and material renewal of Venezuela will find adequate channels.

I am very pleased to see how the various institutions of the Republic are at long last complying with their duties of making this country decent, and of restoring to the citizens a credibility that will make it possible to make profound changes in democracy without sacrificing freedom.

[Ojeda] Julio Cesar Camacho, do you want to ask the Social Christian Party, Copei, presidential candidate a question?

[Camacho] Governor Alvarez Paz, what do you think of the electoral situation, from now to December? Let us set aside what is going to happen in the Senate, as we assume the Senators will agree with the Supreme Court ruling. How do you visualize the December elections?

[Alvarez Paz] I think they will proceed very well, but I would not like to mix the current situation with my candidacy and the future electoral campaign. Nonetheless, I feel I must say the process will continue normally, and everything that contributes to deepening the changes or accelerating the changes will favor those of us who have been struggling for Venezuela.

I do not hesitate to say that the 20 May ruling by the Supreme Court of Justice follows the feelings the people expressed on 25 April. That is why I hope that the forthcoming decision by the Senate, and the ensuing decision by Congress, of entrusting someone to complete the term—and everything else that will have to be done in these months—will lead us in the direction of recovering our democratic life, of preserving freedom, and not only recovering democracy, but of giving Venezuelans a better democracy that it well deserves.

[Camacho] We thank Dr. Oswaldo Alvarez Paz for his remarks and we also thank William Ojeda for this exclusive interview.

Cabinet Said Preparing Documents To Resign En Masse

PA2005195393 Caracas Radio Caracas Radio Network in Spanish 1757 GMT 20 May 93

[News conference by Central Information Office spokesman Angel Zambrano with unidentified reporters at Miraflores Palace in Caracas—live]

[Text] [Zambrano] The president, who has every right to do so, will speak in his own defense. For the time being, tonight at 2000 on a radio and television network, the president, accompanied by the entire Council of Ministers and the military high command, will address the nation.

[Reporter] [question indistinct]

[Zambrano] I am not aware of that. We do not have the details. So far, in fact, it would seem as if no official announcement has been made. I have been told that the spokesman will be Justice Abreu Burelli and so far he apparently has not shown up to talk with the reporters.

[Reporter] [question indistinct]

[Zambrano] The entire cabinet resigned. They are preparing the necessary documents to resign en masse and, obviously, to place their positions at the disposal of the person who will take over the government.

[Reporter] [question indistinct]

[Zambrano] It should be because it is so established in the Constitution.

Senate Vice President Comments

PA2005224893 Caracas Radio Caracas Radio Network in Spanish 2049 GMT 20 May 93

[Interview with Senator Felipe Montilla, first vice president of the Senate and Social Christian Party member, with unidentified reporter in Caracas—live; broadcast in progress]

[Text] [Montilla] ....as the acting president of the Republic as of 21 May, so we are quickly applying all the mechanisms the Constitution provides for such an event to get this crisis behind us as soon as possible.

[Reporter] What will be the procedure to appoint the new cabinet for Acting President Octavio Lepage?

[Montilla] I do not believe we must be alarmed by this report about the cabinet announcing their resignation, although there are contradicting reports. Let us say, however, that it is true the cabinet has resigned. This does not create a vacuum of power, because it is a traditional practice in times of political crisis. The cabinet ministers place their appointments at the president's disposal to make the solution easier. No minister can leave his post until he is replaced by the new appointee. The acting president, who as far as we can determine will be Octavio Lepage effective 21 May, in his capacity as president of the congress, has all the authority of the office of the president, according to the Constitution. The president, then, can appoint a new cabinet, which is what is expected.

[Reporter] Has the Social Christian Party [Copei] decided to allow its party members to accept appointments from the new government?

[Montilla] Not at all. The party has made no final decision. We have called an extraordinary meeting of the Copei National Committee. I am leaving right this minute for Copei national headquarters. It is my impression, based on conversations with other members of the National Directorate, that Copei will not be a part of the new cabinet. The party will maintain its position as an institution, to contribute in whatever way it can to defend the democratic institutions, but we will not be part of the new government.

[Reporter] Are there any questions from the studio?

[Announcer] No. The interview has been quite complete. Thank you Senator Felipe Montilla.

Government Denies Mass Resignation

PA2005231793 Mexico City NOTIMEX in Spanish 2221 GMT 20 May 93

[Text] Caracas, 20 May (NOTIMEX)—The Venezuelan Government denied the announcement of the mass resignation of Carlos Andres Perez' cabinet following the Supreme Court's decision to try the president for alleged embezzlement of public funds.

"There is no resignation," official government spokesman Angel Zambrano said. Hours earlier he had said that the ministers "planned to resign en masse because they considered it to be a duty of solidarity."

Journalists at Miraflores Palace, the government headquarters, said that when he learned of the information minister's statement, Perez called the official and ordered him to "correct" his statement.

Zambrano clarified there "is no power vacuum" and added that the officials will remain in their posts until the Senate ratifies the judicial decision. Such a ratification would entail the temporary suspension of Perez so he can face a trial for embezzlement and misappropriation of funds.

"Each of the ministers will remain in their posts until there is a decision by the Senate," the government spokesman added.

According to press reports, the president has ruled out the possibility of appointing a replacement from among his ministers so that he can leave office.

The Senate is scheduled to hold a session on 21 May to debate the judicial branch's decision against Perez.

If the Senate approves the trial against Perez, he must leave office and temporarily turn over the Presidency to ruling party Senator Octavio Lepage, leader of Congress.

Police Said 'Repressing' 'Rejoicing' People

PA2105000793 Caracas Radio Caracas Radio Network in Spanish 2318 GMT 20 May 93

[Text] We will now have a report by Alexander Barrios from the streets where there have been problems due to demonstrations by people rejoicing [over the Supreme Court decision]. We have been told that the Metropolitan Police have been repressing these citizens and the National Guard has taken over command of the city, indicating that they are the ones in charge and that they do not feel it is wise to attack citizens who in one way or another are peacefully expressing their view. We are trying to get in touch with Alexander Barrios, who is in the center of Caracas due to small outbreaks of violence in some parts of Caracas on the evening of 20 May. In any case, there is quite a lot of calm in practically all Caracas. Go ahead Alexander Barrios. What is happening at your location?

[Barrios] I am at University Avenue where about 20 minutes ago there was an unfortunate incident with members of the Metropolitan Police who were in a patrol car. They tried to run over an elderly woman and obviously this angered all the people here in the street. The Metropolitan Police then tried to attack the people, who were defended by the National Guard members. This was the situation 20 minutes ago on University Avenue. It has also been reported that Deputy Carlos Azpurua of the Radical Cause Party sustained a head injury when he was hit in the head with a pistol butt by the Metropolitan Police. It has also been reported that a journalist was injured and taken to a hospital. We have been unable to obtain his name.